



**MINUTES OF THE MEETING OF
EAST LoTHIAN COUNCIL**

**TUESDAY 23 OCTOBER 2012
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

Councillor S Akhtar	Councillor D Grant
Councillor D Berry	Councillor N Hampshire
Councillor L Broun-Lindsay (Convener)	Councillor W Innes
Councillor S Brown	Councillor P MacKenzie
Councillor J Caldwell	Councillor P McLennan
Councillor S Currie	Councillor K McLeod
Councillor T Day	Councillor J McMillan
Councillor A Forrest	Councillor J McNeil
Councillor J Gillies	Councillor M Veitch
Councillor J Goodfellow	Councillor J Williamson

Council Officials Present:

Mrs A Leitch, Chief Executive
Mr A McCrorie, Executive Director (Support Services)
Ms M Patterson, Executive Director (Services for Communities) and Monitoring Officer
Mr J Lamond, Head of Council Resources
Mr T Shearer, Head of Policy and Partnerships
Ms A Cullen, Senior Review Officer, HR
Ms F Currie, Committees Assistant
Ms R Gertz, Data Protection/FOI Compliance Officer
Mr A Gillespie, Finance Manager
Ms A-M Glancy, Finance Officer
Mrs K MacNeill, Corporate Legal Adviser
Mr C O'Donnell, Finance Officer
Mr R Parker, Education Services Manager
Mr D Russell, Corporate Communications Manager
Mr P Vestri, Corporate Policy Manager

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:

Councillor M Libberton
Councillor F McAllister
Councillor T Trotter

Prior to the commencement of business, the Provost made an announcement as regards recent achievements by two Council employees.

He advised that Anne-Marie Glancy, an officer in Finance, had recently achieved full membership of CIPFA. He informed Members that Anne-Marie commenced her employment with the Council 2004 and had since completed an HNC in Accountancy in 2008. She went on to study for a professional Accounting qualification, specialising in public sector accounting. Having worked towards the qualification over a 3-year period, and having passed all her exams at the first attempt, she won the CIPFA Scottish Student Society prize for the highest mark in the Accounting for Decision Making paper in the 2011 exam sitting. Anne-Marie was awarded full membership of CIPFA in October 2012.

The Provost also announced that Craig O'Donnell, a Council employee since 2003, had recently been awarded the status of Chartered Certified Accountant. He advised that Craig started working towards his qualification in 2009 and passed all 11 exams at the first attempt. Full ACCA membership was gained in August 2012 following completion of the final exams and the required associated practical experience.

Members joined the Provost in congratulating Anne-Marie and Craig on their achievements.

1. COUNCIL AND COMMITTEE MINUTES FOR APPROVAL

The Minutes of the Council and Committee meetings specified below were submitted and approved:

East Lothian Council – 28 August 2012

Matters arising

Item 3 - Council Plan 2012-2017 - Councillor McLennan asked for clarification with regard to the allocation of £100,000 to each secondary school cluster. The Chief Executive advised that work was ongoing in respect of the budget implications associated with delivering various aspects of the Council Plan and that proposals would come forward as part of the budget process.

Item 3 – Council Plan 2012-2017 – referring to the response to the Scottish Government consultation on the Right to Buy policy, and in particular, the proposal to lift the restrictions as regards ministerial consent, Councillor Currie asked how this would work. The Executive Director (Services for Communities) undertook to provide Councillor Currie with further details outwith the meeting.

Item 7 – Welfare Reform – Councillor McLennan asked if the Council had issued a letter to UK government ministers, as agreed. The Head of Council Resources advised that CoSLA, through the Welfare Reform Task Group, had submitted a letter which had included the views of Scottish local authorities, and that this letter would be lodged in the Members' Library. At the request of Councillor McLennan, Mr Lamond undertook to submit a separate letter from the Council.

Item 10 – Carers' Champion and Carers' Forum – Councillor McLennan requested an update on the progress of the Carers' Strategy. Councillor Grant reported that work was ongoing and that it was hoped that a report would be presented to Members before the end of 2012.

Planning Committee – 4 September 2012

Cabinet – 11 September 2012

Matter arising

Item 6 – Consultation on the Integration of Health and Social Care – Councillor McLennan asked for a progress report. Councillor Innes explained that discussions were ongoing with NHS Lothian, but that no firm proposals had been agreed to date. He advised that if shadow arrangements were put in place, then Members of the Opposition would be involved. He added that governance and accountability arrangements were still to be confirmed, and that the role of the voluntary sector would be taken into account.

Education Committee – 18 September 2012

Audit & Governance Committee – 18 September 2012

Matter arising

Item 7 – Annual Work Programme – Councillor Currie informed Members that Councillor Innes would be in attendance at the next meeting to discuss the Council Plan.

2. COUNCIL AND COMMITTEE MINUTES FOR NOTING

The Minutes of the Council and Committee meeting specified below were noted:

Local Review Body (Planning) – 30 August 2012

3. ANNUAL AUDIT REPORT TO MEMBERS 2011/12

The Chief Executive, Angela Leitch, advised that KPMG had presented the Annual Audit Report to the Audit & Governance Committee meeting in September, and that it had been assumed that a representative of KPMG would have been at this meeting to answer questions from Members on the report. However, due to a misunderstanding between the Council and KPMG that only became evident a few days before the meeting, no one from KPMG was available to attend the meeting. Mrs Leitch advised that it was the view of officers that the report provided an accurate assessment of the Council's performance and that it was considered to be a positive report. She drew attention to the recommendations set out in the Action Plan.

Councillor Berry expressed his disappointment that a representative from KPMG was not in attendance, given that he had major reservations about how the Council had been evaluated and that he was of the view that information contained within the report was misleading.

Councillor Hampshire suggested that the report should be continued until the Council meeting in December to allow for a KPMG representative to attend the meeting and respond to points raised by Members.

The Chief Executive undertook to invite KPMG to the Council meeting in December.

Decision

The Council agreed to continue the report on External Auditor's Annual Report to Members 2011/12 to the Council meeting of 18 December 2012.

4. LIVING WAGE

A report was submitted by the Executive Director (Support Services) presenting proposals that would support the introduction of the Living Wage.

The Head of Council Resources, Jim Lamond, presented the report, reminding Members of the Council's commitment within the Council Plan to introduce the Living Wage, currently £7.20 per hour. He advised that approximately 145 permanent staff were currently being paid less than this amount and that there were also a number of casual and relief staff also affected. He noted that increasing the hourly rates for affected staff would result in rises of between 0.56% and 13.21%. Mr Lamond recommended that, if approved, payment should be made by way of a discretionary, non-contractual allowance, so as to minimise exposure to any potential challenges. Members were advised that the cost to the Council of implementing the Living Wage for permanent staff would be approximately £54,000; this figure would rise significantly when payments for casual and relief staff were included. It was noted that costs incurred in the current year would need to be absorbed within existing approved service budgets and that specific provision would need to be made within future years' budgets for costs in relation to the implementation of the Living Wage.

The report was welcomed by Elected Members.

Decision

The Council agreed to approve implementation of the Living Wage by way of a discretionary, non-contractual allowance, effective from 1 November 2012.

5. FINANCIAL STRATEGY 2012-15 – MID-YEAR REVIEW

A report was submitted by the Executive Director (Support Services) providing information on the current financial position of the Council and recommending essential adjustments to the current financial strategy that had been approved by Council in February.

The Head of Council Resources, Jim Lamond, presented the report in detail, reminding Members of the principles which underpinned the Council's financial strategy. He drew attention to the key aspects of the report, including the 2012/13 financial performance, the impact on the Council of the wider economic situation, recommended actions in respect of risk mitigation, the financial position of the HRA and a number of other financial matters for consideration.

With regard to the level of pay increase for Council employees, Mr Lamond advised that although no awards had yet been finalised, a 1% increase had already been provided for in the budget, but that no other inflationary adjustments had been made.

In relation to the revised capital expenditure limits, Councillor Berry asked why changes were being made for the 2012/13 financial year at this time. Mr Lamond explained that action to reduce uncommitted and therefore relatively controllable capital expenditure should be implemented during the current and future financial years, and by doing so the Council would potentially save revenue costs of approximately £1 million by 2014-15.

In response to a question from Councillor Akhtar concerning debt charges, Mr Lamond reported that in 2012/13, the Council would incur charges of £17 million, rising to £21.1 million in 2014/15.

Councillor Innes asked if the Council's capital borrowing had placed undue pressure on the Council's revenue account. Mr Lamond warned that the Council was facing difficult decisions, which would affect all aspects of spending. He noted that there was little scope for manoeuvre where expenditure had already been committed, but that action could be taken in cases where capital expenditure had not yet been committed.

Following on from comments made by Councillor Berry in respect of the capital budgets presented by each political group in February 2012, Councillor Innes pointed out that, other than proposing/removing items from the Capital Plan, Opposition groups had no discretion as regards capital expenditure limits.

Councillor Veitch drew attention to the Council's level of net external debt and called for the Council to "live within its means", especially in view of predicted government grant settlements up to 2014/15. He welcomed the review of the Capital Plan, which would bring it into line with the proposed new Capital Spending Limits.

Councillor McLennan agreed that the Council should constrain its spending. However, he claimed that the Administration had not taken the opportunity to bring forward amendments to the approved budget. He argued that the wider economic situation and funding cuts made by the UK Government were largely responsible for the Council's financial difficulties.

Referring to the situation at Prestongrange Bowling Club, Councillor MacKenzie welcomed the proposal that the Council should purchase the site. However, he expressed concern that cuts in the Capital Plan may impact on a number of other facilities in his ward.

Councillor Currie remarked that there had been an underspend in the Capital Plan in four of the last five years, due mainly to project slippages. Referring to the Council's debt charges, he reminded Members that all three political groups had presented very similar budget proposals in February 2012. He called on the Administration to bring forward an amended budget to reflect the current financial situation.

Councillor Akhtar expressed concern at the high level of debt charges, and welcomed the return of a more open and transparent financial reporting system.

Councillor Berry reminded Members that the previous Administration had built up reserves and made efficiency savings, and that it had been widely anticipated that the national financial situation would improve such that public funding would increase from 2015/16 onwards. He added that this strategy had prevented the need for a reduction in the Council's workforce and that through capital investment, jobs in East Lothian had been protected. He accepted that the circumstances had now changed and that capital expenditure should be reduced, but believed that the savings earmarked for 2012/13 were unlikely to be achieved. He suggested that the Council should continue with its current financial plan until a new budget is approved in February 2013.

Councillor Innes stated that the previous Administration must accept responsibility for their spending decisions, which had led to the need to save £25 million from the capital budget over the next three years. He called on all Members to support the recommendations of the report.

Councillor McLennan advised that, despite agreeing with some of the recommended measures set out in the report, the SNP Group would not be supporting the recommendations.

The Provost then moved to the report on the recommendations:

For:	12
Against:	7
Abstentions:	1

The recommendations were therefore carried.

Decision

The Council agreed:

- i. to note that the Financial Strategy adopted in February 2012 remains largely appropriate but that certain important changes needed to be made to reflect growing cost pressures in the current and future financial years;
- ii. to note the update on recent changes to the external financial environment including the initial assessment of the impact of the draft 2013/14 Scottish Government Budget for East Lothian and the implications this would have for future budgets;
- iii. to approve the various additional control measures outlined in Section 3.21 of the report;
- iv. to approve the revised Capital Expenditure Limits detailed in Section 3.24 of the report;
- v. to approve the adjustment to the HRA Capital Budget establishing a new line for Extensions/Conversions with a budget for 2012/13 of £230,000 with a compensating reduction in the budget for Open Market Acquisitions; and
- vi. taking into account existing powers already delegated under Standing Order 35, to delegate to the Head of Council Resources in conjunction with the Chief Executive and Council Leader, authority to conclude the most appropriate support arrangements to the community organisations as detailed in Sections 3.32-3.35 of the report.

6. NOMINATION FOR THE FREEDOM OF EAST LOTHIAN – THE ROYAL REGIMENT OF SCOTLAND

A report was submitted by the Chief Executive advising of a proposal from the Provost and Leader of the Council that the Freedom of East Lothian be awarded to The Royal Regiment of Scotland (to be accepted on their behalf by The Royal Scots Borderers 1st Battalion, formerly The Royal Scots).

Declaration of Interest: Councillor Innes declared an interest as a former serving member of The Royal Scots (1969-1972)

The Chief Executive, Angela Leitch, presented the report, explaining that the proposal had been brought forward during discussions regarding the Armed Forces Community Covenant, which the Cabinet approved in September 2012. She advised that the Royal Scots Borderers 1st Battalion had a long association with East Lothian, particularly with Haddington and Musselburgh. She noted that the Battalion was on tour in Afghanistan until the spring of 2013, and proposed that award of the Freedom of East Lothian should be made on their return from that tour.

On behalf of the Council, the Provost conveyed his best wishes to members of the Battalion and their families.

Decision

The Council agreed:

- i. that, on the nomination of the Provost, seconded by the Leader of the Council, East Lothian Council approved the presentation of the award of the Freedom of East Lothian to The Royal Regiment of Scotland, 1st Battalion (1 SCOTS) in honour of their long and proud association with East Lothian and its communities;
- ii. to instruct officials to make the necessary arrangements for a Freedom of East Lothian parade and presentation ceremony to be held in April 2013 following the return of the Battalion from their 6-month tour of duty in Afghanistan; and
- iii. to delegate authority to the Chief Executive in consultation with the Provost and Leader of the Council to approve detailed proposals, these to be the subject of a final report to the Members' Library.

7. APPOINTMENT OF APPROPRIATE REPRESENTATIVES TO OUTSIDE BODIES – FOLLOW-UP REPORT

A report was submitted by the Executive Director (Support Services) seeking Council approval of a number of additional nominations to the list of Elected Member appointments of representatives to outside bodies.

The Chief Executive proposed an amendment to the report recommendations, to include the appointment of Councillor Paul McLennan as the Opposition's representative on the CoSLA Convention.

Members unanimously agreed to support this amendment.

The Administration nominated Councillors Day and Goodfellow as the Council's representatives on the Scottish Seabird Centre Trust, and Councillor McNeil as the named substitute on the Lothian & Borders Community Justice Authority.

Decision

The Council agreed:

- i. to nominate Councillors Day and Goodfellow to represent the Council on the Scottish Seabird Centre Trust; and
- ii. to nominate Councillor McNeil as the named substitute on the Lothian & Borders Community Justice Authority; and
- iii. to nominate Councillor McLennan as a Council representative on CoSLA Convention.

8. SCHOOL SESSION DATES 2013/14

A report was submitted by the Executive Director (Services for People) seeking approval for School Session dates for 2013/14.

The Acting Head of Education, Richard Parker, presented the report, advising that a consultation exercise had been undertaken with neighbouring authorities, the outcome of which supported alignment with the dates proposed by Midlothian Council.

In response to a question from Councillor Brown in relation to shared services, Mr Parker pointed out that it was normal practice to consult in this way, irrespective of shared services work.

Councillor Berry remarked that it was regrettable that the City of Edinburgh Council had not co-operated with the consultation and suggested that officers raise this issue with their counterparts in Edinburgh. Councillor Akhtar, as the Cabinet Spokesperson for Education & Children's Services, agreed to take this forward.

Decision

The Council agreed:

- i. to approve the school session dates for 2013/14, as outlined in Proposal 1 (attached as Appendix 1 to the report);
- ii. to authorise the Executive Director (Services for People) to notify Head Teachers, Teachers' Associations, Heads of Establishments and Parent Councils; and
- iii. to authorise the Executive Director (Services for People) to notify the Scottish Government Education Department.

9. NOTICE OF MOTION – FUNDING SOCIAL ENTERPRISE IN EAST Lothian

A motion was submitted by Councillors McLennan and MacKenzie:

“Council acknowledges the important role of the Social Enterprise Sector in East Lothian.

Council believes that the Social Enterprise Sector will be key in delivering the Economic Development Strategy.

Council acknowledges the difficulties in securing initial funding for new Social Enterprises in East Lothian.

Council support the establishment of a fund similar to the successful East Lothian Investments model which has created many new jobs.

Council supports the potential of partnership funding with Social Investment Scotland (SIS) and the opportunities this will bring to grow the Social Enterprise Sectors in East Lothian.

Council asks officers to report back to Council in due course with further recommendations.”

Councillor McLennan presented the motion, outlining the challenges for the Social Enterprise sector, particularly in relation to securing funding. He called on the Council to work with the sector in order to build on the success of Social Enterprise in East Lothian and to create employment opportunities. He asked the Council to agree to the motion in principle and for a report to be brought back to Council for consideration.

Councillor MacKenzie seconded the motion.

Councillor McMillan, the Cabinet Spokesperson for Economic Development and Tourism, emphasised the importance of the role of the Social Enterprise Sector and noted that this was reflected within the Council's Economic Development Strategy. He advised that meetings had already taken place with a number of organisations, and advised that East Lothian Investments Ltd also had a role to play. He proposed an amendment to the motion, as outlined below (changes in italics):

“Council acknowledges the important role of the Social Enterprise Sector in East Lothian, *and* believes that the Social Enterprise Sector will be *part of* delivering the Economic Development Strategy.

[delete paragraph 3 of original motion]

[delete paragraph 4 of original motion]

Council *will explore* the potential of partnership funding with Social Investment Scotland (SIS) and *with East Lothian Investments Ltd*.

Officers will report back to Council in due course with further recommendations as part of the Economic Development Strategy.”

Councillor McMillan pointed out that there were no barriers to Social Enterprises approaching East Lothian Investments Ltd for funding, and that he would encourage them to do so. He also mentioned that he would be happy to explore the potential of working with Social Investment Scotland and other similar organisations.

Councillor McLennan accepted the amendments proposed by Councillor McMillan, but voiced his disappointment that there would be no specific report to Members on the progress made as regards the Council engaging with the Social Enterprise Sector.

In response to this concern, Councillor McMillan assured Councillor McLennan that he would provide an update specifically on progress with the Social Enterprise sector within the next three months.

Councillor Innes concluded the debate by stating that the Administration was very supportive of the Social Enterprise Sector and would proactively promote and assist in its development.

Decision

The Council agreed:

- i. to approve the motion, as amended, and
- ii. to receive a progress report on the Council's work with the Social Enterprise Sector within three months of the date of this meeting.

10. NOTICE OF MOTION – SHARED APPRENTICE SCHEME

A motion was submitted by Councillors McLennan and MacKenzie:

“Council recognises the importance of apprenticeships in the East Lothian economy.

Council supports the establishment of a Shared Apprenticeship Scheme in East Lothian.

Council acknowledges that there is already a similar scheme in Manchester being operated.

Council supports the principle of 'Shared Apprenticeships' and asks that a further report is brought back to look at establishing such a scheme in East Lothian."

Councillor McLennan presented the motion, advising that similar schemes were being established in other areas in the UK, involving local authorities, NGOs, private companies and other agencies. He proposed that the Council should seek to enter into such a scheme and commence discussions with Job Centre⁺, training providers, Midlothian Council and other relevant bodies to take this forward. He added that Scottish Ministers were also looking at introducing similar schemes at a national level.

Councillor McKenzie seconded the motion.

Councillor McMillan proposed an amendment to the motion, as outlined below:

"Council recognises the importance of apprenticeships in the East Lothian economy.

Council *will explore* the establishment of a Shared Apprenticeship Scheme in East Lothian.

Council acknowledges that there *are* similar schemes.

Council *will report on progress* of 'Shared Apprenticeships' *as part of feedback on the Economic Development Strategy.*"

Councillor McMillan advised that the Council was keen to promote learning through apprenticeships and was supportive, principle, of the motion. He pointed out that this idea was included within the Economic Development Strategy, and that the Council and its partners would be looking at a number of employment pathways and sustainable jobs. He reported that the Administration would be exploring the establishment of apprenticeship schemes, some of which may be shared. Councillor McMillan accepted the spirit of the motion, but maintained that this was not a single issue and should be considered in terms of the long term strategy in relation to education and job creation.

In response to a question from Councillor Goodfellow, Councillor McLennan explained that the motion did not apply only to the construction industry, and could be opened up to other areas, as appropriate.

Councillor Innes mentioned that a number of apprenticeship models were being considered and asked Councillor McLennan if he would be happy to accept the points made by Councillor McMillan, with a view to a report being brought back to Members on this issue.

Councillor Currie expressed his concern that there was an issue with apprenticeships being terminated before the apprentice had qualified, and that this could lead to a lack of qualified tradespersons. He believed that the proposed type of scheme would provide an opportunity for young people to undertake and complete apprenticeships.

Councillor McMillan also made reference to work underway with regard to providing internship opportunities, and undertook to provide Members with a report on this.

Councillor McLennan accepted the amendments to the motion but sought reassurance that a verbal update on progress would be provided at the next Council meeting. He welcomed the support of Members.

Decision

The Council agreed:

- i. to approve the motion, as amended; and
- ii. that a progress report would be provided for Members at the Council meeting of 18 December 2012.

11. SUBMISSIONS TO THE MEMBERS' LIBRARY, 14 JUNE – 15 AUGUST 2012

A report was submitted by the Executive Director (Support Services) advising of the reports submitted to the Members' Library Service since the last meeting of the Council, as listed in Appendix 1 to the report, into the Council's business.

Decision

The Council agreed to record the reports submitted to the Members' Library Service between 14 June and 15 August 2012, as listed in Appendix 1 to the report, into the Council's business.

Signed

Provost Ludovic Broun-Lindsay
Convener of the Council