



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

**TUESDAY 27 AUGUST 2013  
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

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**Committee Members Present:**

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

**Council Officials Present:**

Mrs A Leitch, Chief Executive (from Item 4)  
Mr A McCrorie, Depute Chief Executive (Resources and People Services)  
Ms M Patterson, Depute Chief Executive (Partnership and Services for Communities)  
and Monitoring Officer  
Mr D Small, Director of East Lothian Health & Social Care Partnership  
Mr J Lamond, Head of Council Resources  
Ms M Ferguson, Corporate Legal Adviser  
Mr K Dingwall, Principal Planner (for Items 1-2)  
Ms M O'Connor, Cultural Services Manager  
Mr D Russell, Corporate Communications Manager

**Visitors Present:**

None

**Clerk:**

Mrs L Gillingwater

**Apologies:**

Councillor T Trotter

*Prior to the commencement of business, the Provost, on behalf of the Councillors, welcomed Mr David Small to the Council. Mr Small had recently taken up his position as Director of the East Lothian Health and Social Care Partnership.*

## **1. COUNCIL AND COMMITTEE MINUTES FOR APPROVAL**

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

### **Cabinet – 11 June 2013**

*Matter arising – Item 3: Information and Records Management Policy – Councillor Berry requested that Members be kept informed of developments as regards records management systems. His request was noted.*

### **Audit & Governance Committee – 11 June 2013**

### **Planning Committee – 18 June 2013**

### **Policy & Performance Review Committee – 18 June 2013**

### **East Lothian Council – 26 June 2013**

### **Audit & Governance Committee – 23 July 2013**

*Matter arising – Item 1: Draft Statements of Accounts 2012/13 – Referring to the letter from Audit Scotland which Councillor McLeod produced at the meeting, concerned with the Council's financial liability in relation to the Musselburgh Joint Racing Committee (MJRC), Councillor Innes asked Councillor McLeod if he had raised his concerns with Council officers prior to writing to Audit Scotland on this matter. Councillor McLeod explained that he and other Members had previously asked officers for clarification as to the status of MJRC and about its liabilities, but as no satisfactory explanation had been given by officers he had taken the decision to seek advice from Audit Scotland.*

Councillor Innes expressed his concern that the letter had been produced at the meeting without officers having assessed it, and questioned the appropriateness of such an action. Councillor McLeod noted that he had made the letter available to officers after the meeting. His actions were supported by Councillor Berry, who commented that he had also raised this question several years ago and had not been satisfied with the response of officers at that time.

The Depute Chief Executive (Resources and People Services) confirmed that the Councillor members of MJRC were covered by the Council's insurance as long as they were engaged in approved work. He stated that the racecourse was not deemed an arms-length external organisation (ALEO), but was an un-incorporated association. He further explained that, as the racecourse used Council assets, it had to be included in the Group Accounts but was audited separately before being incorporated into the Joint Accounts. He added that he would work with Councillor McLeod and officers in Law & Licensing to produce a response to Audit Scotland's letter.

## **2. COUNCIL AND COMMITTEE MINUTES FOR NOTING**

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

### **Local Review Body (Planning) – 20 June 2013**

### **3. SUMMER RECESS BUSINESS 2013**

A report was submitted by the Depute Chief Executive (Resources and People Services) informing the Council of the urgent business undertaken over the Summer Recess period in terms of the procedures set out in Standing Order 43 and in line with the decision taken at its meeting of 25 June 2013.

The Clerk advised that two items of business had been approved in accordance with Summer Recess procedures and that both were available to view in the Members' Library.

#### **Decision**

The Council agreed to note the business undertaken during the Summer Recess period.

### **4. 2012/13 YEAR-END FINANCIAL REVIEW**

A report was submitted by the Depute Chief Executive (Resources and People Services) informing the Council of the unaudited financial position for the financial year 2012/13, and finalising the arrangements for the carry-forward of funds into 2013/14.

The Head of Council Resources, Jim Lamond, presented the report, advising that although the work of the external auditors was largely completed, the report and accompanying financial statements were based upon the draft statements and were still subject to change through the audit process. He expected the final audit report to be presented to the Council in October.

Mr Lamond drew attention to the salient points of the report, focusing on the performance as regards General Services, Reserves, Statutory Trading Activities and the Housing Revenue Account.

In response to a question from Councillor MacKenzie about financial risk assessments, Mr Lamond advised that full details on those services assessed as high risk would normally be provided in the quarterly finance reports to Cabinet. He also noted that there was a requirement on managers to intervene and take action should their services be given a high risk rating. He offered to provide further information should Members request it.

With reference to Adult Wellbeing and Children's Wellbeing, Councillor McLennan asked how projected cuts to these budgets would impact on their risk ratings. Mr Lamond advised that in the case of Children's Wellbeing, funding had been allocated to address a number of issues, that service re-provisioning work was ongoing and that a staffing review was underway.

Councillor Berry raised concerns in relation to the deficits in the Facility Support and Community Partnerships business units. Mr Lamond reported that Facility Support was a trading activity that had not performed in accordance with expectations in year 3, but that he still expected significant savings to be achieved in this area in the current financial year. As regards Community Partnerships, Mr Lamond indicated that the provision of grant funding to voluntary and other organisations accounted for the overspend of this budget, and that the Head of Policy & Partnerships was now working to address this situation.

Councillor Currie asked why Adult Wellbeing had been given a high risk rating despite being £333,000 under-spent. Mr Lamond explained that the volatility of demand on this service, particularly with demographic challenges, meant that Adult Wellbeing would always have a high risk rating.

On the reductions to the capital programme, Councillor Currie asked if specific projects had contributed to the surplus by being halted or delayed. Mr Lamond advised that he did not have the details to hand, but that this information was now made available to the public. He did point out, however, that some projects had been postponed beyond the 3-year capital planning period and that others had had their costs refined. Mr Lamond also reported that there had been a significant reduction on loan charges for both the General Services Account and Housing Revenue Account, largely due to the reduction in capital spending. He offered to brief Members in more detail outwith the meeting.

Councillor Currie remarked upon the costs of the PPP contract, and asked if these costs would remain at the current levels for the life of the contract. He also asked if consideration had been given to withdrawing from the contract and about the financial arrangements for future secondary school extensions. Mr Lamond advised that the costs would continue largely at their current levels for the life of the agreement. He added that the Council had explored the possibility of ending the agreement in the past but at that time the contractor was not willing to do so and the Council had no powers to enforce this.

Councillor Berry welcomed the ongoing investment in housing, but questioned the continuation of the Council's open market acquisition policy. He also expressed concern that pension liabilities would not be sustainable going forward and that this would have to be addressed at a national level.

Councillor Innes thanked Mr Lamond and his team for the report, reminding Members that it was based on a budget set by the previous Administration. He commented that the control mechanisms put in place in 2012 had resulted in £3m of reserves not being spent as planned and also a significant reduction in debt charges. He expressed concern at comments made by the Opposition about the Council's financial position and called on Members to promote the financial credibility of the Council.

In relation to capital spending, Councillor Currie argued that there was always the potential for project slippage but that the money would still have to be spent. He did not support the reduction in capital spending limits and believed that accelerating capital projects was the right approach. Councillor Currie also voiced his concern in relation to the Council's decision to halt a housing development and the costs associated with this.

Responding to a question from Councillor McLennan as regards the Adult Wellbeing and Children's Wellbeing budgets, Councillor Grant insisted that the budgets set for these services in February 2013 were sustainable, adding that services would have to be provided less expensively in future in order to meet the significant challenges facing the Council. Councillor Akhtar added that Council departments were working together to provide the best possible services.

Councillor Veitch welcomed the lower than planned use of reserves and the under-spends across most revenue budgets. However, he voiced concern about supported bus services, particularly in relation to the allocation of funding for services that were re-tendered in 2012. He stated that the Administration was committed to ensuring that the Council lived within its means and that it was now on track to deliver on that goal.

## **Decision**

The Council agreed:

- i. to note the financial results for 2012/13, their impact on both reserves and the Council's Financial Strategy;

- ii. to approve the addition of brought forward Devolved School Management (DSM) surpluses to and deduction of brought forward DSM deficits from the 2012/13 individual school budgets; and
- iii. to approve the final budget adjustments for the 2012/13 financial year, as outlined in Sections 3.26-3.28 of the report).

## **5. COMMUNITY USE OF THE BRUNTON**

A report was submitted by the Depute Chief Executive (Partnership and Services for Communities) advising the Council of ongoing work to support community use of The Brunton venues in Musselburgh.

The Cultural Services Manager, Margaret O'Connor, presented the report, advising that a review of charges for community and voluntary groups had been undertaken and drawing attention to the proposed new charging schedule, as outlined in Section 3.21 of the report. She also reported that the options in relation to catering provision had been increased. She noted that the new rates would be advertised and that community and voluntary groups would be contacted to discuss the arrangements for their events.

Referring to comments made recently by Councillor Currie in social and local media, Councillor Day claimed that the previous Administration had reduced funding to The Brunton significantly between 2007 and 2012, whereas the current Administration had made only a 4% reduction to that budget in 2013/14. He called on Members to support the proposals in the report, which he believed offered the best solution for community and voluntary groups whilst remaining commercially competitive. He also mentioned that the catering contracts had been renegotiated and that the bar area had been redesigned to offer more flexible catering options.

Councillor Currie, who had presented a motion to the Council on this issue in April 2013, welcomed the proposed changes to the charging regime for community and voluntary groups and to the catering arrangements. However, he criticised the Administration for not taking action sooner, and hoped that users would return to The Brunton for events in the future.

Councillor McAllister commented that the proposed prices were still too high for some local groups, but welcomed the proposed flexible approach. He asked if a review of the charges could be undertaken after a year. Councillor Grant drew his attention to Section 4.1 of the report which advised that work was ongoing to develop the criteria under which organisations would qualify for the reduced rate.

### **Decision**

The Council agreed:

- i. to approve the proposal to amend the scale of charges previously reported through a Members' Library report (Ref: 265/12, dated 15 November 2012), noting that a summary of proposed charges showing comparison with the 50% discount charge currently being used for community and voluntary groups and the commercial rate was provided within the report; and
- ii. that, in addition to the options for professional catering services associated with venue bookings, to approve the proposal to allow community access to the bar servery area in Venue 2 to make teas and coffees for small-scale community events.

## **6. REVISIONS TO EAST LOTHIAN COUNCIL STANDING ORDERS**

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval of the revised Standing Orders and associated appendices.

The Head of Council Resources, Jim Lamond, presented the report, reminding Members that the Standing Orders revisions had been included in the Council's Improvement Plan for 2012/13, and advising of the work done to date. He noted that there were further amendments proposed as regards the Scheme of Delegation (approved in June 2013).

Councillor Berry claimed that he had not been consulted on the proposed changes to the Standing Orders and highlighted a number of aspects that concerned him. He registered his dissent in relation to the report and its recommendations.

Mr Lamond advised that the draft Standing Orders, Scheme of Delegation and Scheme of Administration had been issued to all Elected Members for consultation purposes in April 2013. He added that the Standing Orders could be reviewed on an ongoing basis and indicated that he would be happy to engage further with Councillor Berry.

Councillor Currie thanked the officers involved in preparing the documents and urged Members to raise matters of concern with officers.

### **Decision**

The Council, noting Councillor Berry's dissent, agreed:

- i. to approve the revised East Lothian Council Standing Orders;
- ii. to approve the revised Scheme of Administration;
- iii. to approve further proposed amendments to the Scheme of Delegation, as outlined in Appendix 1 to the report;
- iv. to approve the inclusion of the existing role descriptions for Statutory and Chief Officers as an appendix to Standing Orders;
- v. to delegate to the Chief Executive the incorporation of any further changes into the documents specified above, as agreed by the Council at the meeting; and
- vi. to note that the new Standing Orders and associated appendices would be published on the Council website as soon as practicable.

## **7. APPOINTMENT OF REPRESENTATIVES TO OUTSIDE BODIES**

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval of a number of additions/amendments to the list of appointments of representatives to Outside Bodies.

The Clerk presented the report, which sought approval of the appointment of Councillor McMillan to the Board of Scotland Excel (replacing Councillor Hampshire) and of the appointment of Councillor Day as a representative on SESplan (replacing Councillor Veitch). She also advised that Children's Hearings Scotland had requested an additional Council representative on the Area Support Team and that the Administration had nominated Councillor Grant for this position.

**Decision**

The Council agreed to make appointments to Outside Bodies, as outlined below:

- i. Scotland Excel – Councillor McMillan (replacing Councillor Hampshire)
- ii. SESplan – Councillor Day (replacing Councillor Veitch)
- iii. Children’s Hearing Scotland Area Support Team – Councillor Grant

**8. SUBMISSIONS TO THE MEMBERS’ LIBRARY, 13 JUNE – 15 AUGUST 2013**

A report was submitted by the Depute Chief Executive (Resources and People 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 13 June and 15 August 2013, as listed in Appendix 1 to the report, into the Council’s business.

Signed .....

Provost Ludovic Broun-Lindsay  
Convener of the Council