



**MINUTES OF THE MEETING OF
THE CABINET**

**TUESDAY 13 JANUARY 2015
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

Councillor S Akhtar
Councillor T Day
Councillor D Grant
Councillor N Hampshire
Councillor J McMillan
Councillor M Veitch (Convener)

Other Councillors Present:

Councillor S Brown
Councillor J Caldwell
Councillor S Currie
Councillor J Gillies
Councillor J Goodfellow
Councillor M Libberton
Councillor P MacKenzie
Councillor F McAllister
Councillor K McLeod

Council Officials Present:

Mrs A Leitch, Chief Executive
Ms M Patterson, Depute Chief Executive – Partnerships and Community Services
Mr A McCrorie, Depute Chief Executive – Resources and People Services
Mr J Lamond, Head of Council Resources
Mr T Shearer, Head of Communities and Partnerships
Mr M Leys, Head of Adult Wellbeing
Mr D Proudfoot, Acting Head of Development
Mrs M Ferguson, Service Manager – Legal and Procurement
Mr P Vestri, Service Manager – Corporate Policy and Improvement
Ms E Wilson, Service Manager – Economic Development and Strategic Investment
Ms J Mackay, Media Manager

Clerk:

Ms A Smith

Apologies:

Councillor W Innes

Declarations of Interest:

None

1. MINUTES OF THE MEETING OF THE CABINET OF 11 NOVEMBER 2014

The minutes of the meeting of the Cabinet of 11 November 2014 were approved.

2. SUMMARY OF CONTRACTS AWARDED BY EAST LoTHIAN COUNCIL, 9 OCTOBER 2014 – 17 DECEMBER 2014

A report was submitted by the Depute Chief Executive (Resources and People Services) advising Members of all contracts awarded by the Council from 9 October 2014 to 18 December 2014, with a value of over £150,000.

Councillor Currie remarked that Hart Builders had submitted the second lowest tender for the project referred to in the report appendix. He queried why local firms, despite submitting tenders for many contracts, were not successful. He added that firms awarded contracts often sub contracted the work to other firms, outwith East Lothian.

Councillor McMillan advised that the Council, through the Economic Development team, was working with local contractors and suppliers to raise awareness of the tendering process. He noted the point about sub contractors but this depended on the relationship between contractors and suppliers. He added that he would however pursue this issue with officers.

Morag Ferguson, Legal and Procurement Service Manager, advised Members that the Council did not maintain a list of approved sub contractors, this was due to issues concerning commercial freedom and transfer of risk.

Decision

The Cabinet agreed to note the award of contracts with a value of over £150,000, as listed in Appendix 1 to the report.

3. SCOTTISH LOCAL AUTHORITY BUSINESS LOAN FUND

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) advising Cabinet of the proposal to establish a Scottish Local Authority Business Loan Fund and seeking in principle approval to participate in the Loan Fund.

The Economic Development and Strategic Investment Service Manager, Esther Wilson, presented the report, drawing attention to the background and highlighting the key points regarding participation in the Loan Fund. She reported that nationally, a collective European Regional Development Fund (ERDF) bid from Scottish Local Government through the European Structural Funds Programme was being actively encouraged by the Scottish Government. Each member authority would be responsible for the delivery of the fund within its own area. Although local authorities would be able to join the fund at any time, only those authorities who were members of the fund at the time of the ERDF allocation would be able to benefit from the initial 3 year ERDF allocation. She outlined the resource implications.

In response to questions from Councillor Hampshire regarding the investment required and level of control, Ms Wilson advised that it would be for the Council to specify the actual amount, within the figures stipulated; the amount would be ring fenced and managed within the Council's approved Treasury Management and Investment Strategy.

Councillor McMillan welcomed the report and the range of interventions and initiatives to create growth. He made reference to the current bank lending position, stating that given this, any measures that would assist small and medium sized businesses (SMEs) were worth supporting. He commended the report to colleagues.

Councillor Currie welcomed any attempts to encourage small to medium business growth. He also made reference to the bank lending position, remarking that banks had become risk adverse; unless this was addressed it would be for the Scottish Government and local authorities to provide funding.

Councillor McAllister also welcomed the report and echoed Councillor Currie's comments about the banks reticence to lend.

Decision

The Cabinet agreed:

- i. to approve the Council's membership of the new loan fund, in principle;
- ii. to delegate authority to the Head of Council Resources and Interim Head of Development to consider and assess the operational aspects of the Loan Fund as these become available and to agree the Council's ultimate participation or otherwise; and
- iii. to note the commitment of between £30,000 and £60,000, in principle, to the Fund, annually for 3 years.

4. INTERIM DISCOUNTED HOUSING FOR SALE MODEL

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking approval for an interim Discounted Housing for Sale model which would meet the requirements of the Council's Affordable Housing Policy.

Ms Wilson presented the report. She informed Members that the delivery of affordable housing tenures was realised through a range of mechanisms. To deliver the numbers of affordable homes which were required in East Lothian, the Council needed to promote a flexible approach to the tenures delivered through its Affordable Housing Policy. Research had been commissioned to better understand need and demand for intermediate tenures in East Lothian. The research would enable the Council to identify and prioritise the delivery of appropriate tenures of affordable housing across different localities in the county and to understand the merit in different mechanisms for delivery. She drew attention to the proposed interim model, detailing the arrangements for administration and the eligibility and priority criteria. The interim model would be reviewed following the findings of the research.

Ms Wilson responded to several questions from Councillor Currie. She clarified that the main difference between this model and the Help to Buy scheme was that Help to Buy was not accepted as an affordable product but was an economic stimulus to support the housebuilding industry. Help to Buy was assistance to an individual to purchase a property up to a particular market value; this model was a discount scheme and applicants would be assessed by criteria. Referring to the number of people on the housing list, Councillor Currie queried why council houses were not being built. Ms Wilson referred to the longstanding Affordable Housing Policy (2003); advising that the Council aimed to deliver 80% of housing as social rent and 20% as other tenures, this was the framework for any negotiations with developers. She stated that social rent housing continued to be the priority. In response to further questions about the interim model, Ms Wilson clarified the process if the property was sold at a later date. With regard to the number of houses being considered she indicated that no target had been set, but possibly around 50.

In response to questions from Councillor McAllister, Ms Wilson stated that in relation to the 80/20 split, the Council proactively did not seek a commuted sum from developers; the intention was always to deliver housing on site.

Douglas Proudfoot, the Interim Head of Development, added that this model was another meaningful delivery option, within a range of options, to assist in delivering mixed and balanced housing in East Lothian's communities. It was not seeking to replace social rented housing.

Councillor Hampshire highlighted the need for development of housing options. He referred to the significant level of housing need established across East Lothian; drawing attention to the requirement for 10,000 homes over the next 10 years, 25% of which allocated for affordable housing. Other options were needed; this model was one proposal. Research to identify need and demand was currently being carried out, which would help to deliver a greater mix of housing and create balanced communities. This would be progressed and delivered. This model would assist people having difficulty getting on to the housing market; many families across East Lothian would regard this as an opportunity.

Councillor Currie stated that the biggest area of demand in East Lothian was for 1 bedroom properties; this demand was not being met by the private sector. The first priority should be to build houses for rent. He expressed several concerns about this proposal. He stressed that if 50 houses could be built they should be built as council houses. The housing problem in East Lothian would only get worse if this was not addressed.

Councillor Goodfellow welcomed the report. A variety of affordable housing was needed and this model was an alternative way of providing this for families in East Lothian and enabling them to get on the housing ladder.

Councillor Akhtar also welcomed the report; it illustrated the Council's innovative approach. This would make a difference to families in East Lothian. It was appropriate to commission research to identify need and demand. It was also appropriate to look at all 7 wards, as the need could be different across the various wards.

Councillor Veitch agreed with his Cabinet colleagues. This was a good model, which would provide mixed tenure and was welcomed.

Decision

The Cabinet agreed:

- i. to approve the proposed interim Discounted Housing For Sale model which would meet the Council's Affordable Housing Policy;
- ii. to delegate authority to the Interim Head of Development to put in place detailed operational criteria in relation to eligibility and priority in consultation with the Cabinet Member for Environment, as outlined in the report; and
- iii. to note the interim nature of the model, which would be reviewed following conclusion of research which had been commissioned to improve understanding of the need and demand for intermediate tenures in East Lothian.

5. CHARGING POLICY

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking approval for the Charging Policy.

The Corporate Policy and Improvement Service Manager, Paolo Vestri, presented the report, informing Members that an Audit Scotland report published in October 2013 had found that few local authorities had a consistent approach to charging for services. The Council

Management Team had considered that report and had agreed to undertake a benchmarking exercise and to develop a charging policy. The draft Charging Policy was attached as Appendix 1; it outlined the basis for charges, roles and responsibilities for officers and how charges would be set. Also attached, as Appendix 2, was the Adult Wellbeing Charging Policy, which was aligned to and supported the corporate Charging Policy. He referred to the benchmarking exercise, drawing attention to the results, which had highlighted some major differences in charges across the local authorities concerned. The full results of the benchmarking exercise would be lodged in the Members' Library.

Councillor MacKenzie, referring to the background papers, asking why the report to Cabinet last January on service user contributions was not listed, it was very relevant; Cabinet had approved the recommendations but these had not been implemented. Mr Vestri advised that the report referred to did not act as background to this report but did to the Adult Wellbeing Charging Policy. Murray Leys, the Head of Adult Wellbeing, added that the report referred to had been subject to further consultation with services users and others, the external consultation process had led to the Adult Wellbeing charges. He informed Members that section 6.9 of the Adult Wellbeing Charging Policy stipulated that an equalities impact assessment of any charges relating to this service area was required.

Responding to a query from Councillor Currie, Ms Ferguson clarified that the changes to Standing Orders approved at the December Council were to confirm the new arrangements, that proposed new charges would be approved by Cabinet. She advised that Councillor Innes had given an undertaking that, for the current Administration's remaining term, reports proposing the introduction of new charges would be brought to Council for decision; this was a personal undertaking and not withstanding changes to Standing Orders.

Councillor Grant stated that Audit Scotland had acted as a catalyst and had done local government a service in identifying the inconsistent approach to charging for services. Their report had highlighted that East Lothian raised a relatively low income from charges. The Council needed a clear and transparent charging policy; this draft set out the principles and provided a basis to go forward. It was also appropriate that the Adult Wellbeing Charging Policy, of a distinct nature, should be separate. He welcomed and supported the report.

Councillor MacKenzie, referring to comments about the report to Cabinet last year, stated that a number of carers of adults with learning disabilities had visited his surgery extremely concerned about the increase in charges, which would have had a huge impact. However, looking at the Adult Wellbeing Charging Policy he was encouraged; it seemed to be a lenient and caring policy and supportive of the disadvantaged members of the community.

Councillor Currie remarked that it should be a source of pride that this Council did not charge as much as other local authorities. Referring to the benchmarking exercise, he asserted that to get to an equivalent starting point could, in some instances, mean a significant increase in charges; the purpose of this paper was income maximisation. He expressed concern that Adult Wellbeing charges would increase within the financial year outwith the budget process.

Angela Leitch, the Chief Executive, clarified that the Council Management Team would be transparent at all times regarding charges. She welcomed this report and confirmed that charges would be set as part of the budget setting process. She reiterated that this report had been brought forward as the result of an Audit Scotland process and that East Lothian Council had been identified as the lowest charging council.

Councillor Hampshire stressed that the aim of the draft Charging Policy was not to increase charges. A thorough review, including consultation with service users, and a benchmarking exercise, had been carried out, resulting in this Council wide draft Charging Policy. All Members would like to keep charges low however these were very difficult financial circumstances and if introducing a charge would maintain a particular service then that had to be considered.

Councillor Akhtar drew attention to section 4.1 of the Adult Wellbeing Charging Policy, which stated that charges would be affordable and account would be taken of the ability of an individual to pay. The Council needed a framework, which this draft Charging Policy provided and there were safeguards for service users.

Councillor McLeod stated that as Convener of the Audit and Governance Committee he welcomed the Chief Executive's comments regarding transparency. He added that charges should also be communicated to Members for awareness.

Councillor McMillan welcomed the introduction of a Council wide Charging Policy; this would ensure a consistent approach. He drew attention to sections 6.7 to 6.9 of the draft Charging Policy, which detailed the guidelines for setting charges. He also referred to section 8 of the Adult Wellbeing Charging Policy, which outlined the evaluation criteria for monitoring the impact of this policy.

Councillor Veitch stated that all councillors, across all political parties, would wish to keep charges as low as possible but these must also be affordable, not least to keep services available for the people of East Lothian.

Decision

The Cabinet agreed to approve the Charging Policy and noted that services would review charges taking into account the principles of the Charging Policy and the results of the benchmarking exercise.

6. PUBLIC MINUTES OF THE MEETINGS OF THE LICENSING SUB-COMMITTEE HELD ON 4 NOVEMBER 2014 AND 13 NOVEMBER 2014

The public minutes of the meetings of the Licensing Sub-Committee held on 4 November 2014 and 13 November 2014 were approved.

7. MINUTES FOR NOTING

The minutes of the Safe and Vibrant Communities Partnership of 18 August 2014 and the Resilient People Partnership of 10 September 2014 were noted.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

The Cabinet unanimously agreed to exclude the public from the following business containing exempt information by virtue of Paragraphs 3 and 6 (information relating to any particular applicant for, recipient or former recipient of a service provided by the Authority; information concerning the financial or business affairs of any particular person other than the Authority) of Schedule 7A to the Local Government (Scotland) Act 1973.

Sub-Committee Minutes

The private minutes of the meetings of the Licensing Sub-Committee held on 4 November 2014 and 13 November 2014 were approved.

The private minute of the meeting of the Homelessness Appeals Sub-Committee held on 20 November 2014 was approved.