



**MINUTES OF THE MEETING OF
THE CABINET**

**TUESDAY 8 SEPTEMBER 2015
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

Councillor S Akhtar
Councillor T Day
Councillor D Grant
Councillor N Hampshire
Councillor W Innes (Convener)
Councillor J McMillan

Other Councillors Present:

Councillor S Brown
Councillor S Currie
Councillor J Gillies
Councillor J Goodfellow
Councillor P MacKenzie
Councillor F McAllister
Councillor K McLeod
Councillor J Williamson

Council Officials Present:

Ms M Patterson, Depute Chief Executive – Partnerships and Community Services
Mr A McCrorie, Depute Chief Executive – Resources and People Services
Mr R Montgomery, Head of Infrastructure
Mr D Proudfoot, Head of Development
Mrs M Ferguson, Service Manager – Legal and Procurement
Ms S Fortune, Service Manager – Business Finance
Mr D Northcott, Team Manager – Structures, Flooding and Street Lighting
Mr M Murphy, Senior Operational Manager (Adult Wellbeing)
Ms S Morris, Procurement Team Leader
Ms S Kennedy, Work Experience Co-Ordinator

Clerk:

Ms A Smith

Apologies:

Councillor M Veitch

Declarations of Interest:

None

Prior to commencement of business the Convener made a statement regarding the refugee crisis. He highlighted the significant public concern regarding the plight of the refugees. He stated that this Administration should play its part in line with the arrangements outlined by the Home Office and the Scottish Government. He was seeking agreement today to state, through CoSLA, that East Lothian would accept responsibility and take its share of refugees.

Councillor Currie, on behalf of the SNP Group, expressed support. He also paid tribute to the aid provided to date from East Lothian residents.

Members agreed to the approach put forward by the Convener.

1. MINUTES FOR APPROVAL

The minutes of the meeting of the Cabinet of 9 June 2015 were approved.

2. SUMMARY OF CONTRACTS AWARDED BY EAST LOTHIAN COUNCIL, 26 FEBRUARY TO 31 AUGUST 2015

A report was submitted by the Depute Chief Executive (Resources and People Services) advising Members of all contracts awarded by the Council from 26 February to 31 August 2015, with a value of over £150,000.

In response to a question from Councillor Currie regarding progress on the issue of local sub contractors, Councillor McMillan indicated there had been no substantive progress to date but confirmed that this would be looked at during the renewal of the Construction Framework contracts. Regarding possible timescales, Douglas Proudfoot, Head of Development, advised that the Framework Agreement was due for refresh in February 2016. Work was ongoing within the Procurement and Economic Development teams reviewing arrangements, raising awareness with local firms and providing assistance to enable connections with contractors.

Morag Ferguson, Service Manager for Legal and Procurement, responding to a question from Councillor Akhtar regarding contracts below £50,000, gave details of the total amount of contracts awarded to local companies for 2014/15.

Mr Proudfoot, in response to questions from Councillor Currie, advised that price was always a significant component but there were other factors that needed to be built into the Framework Agreements.

Responding to Councillor Goodfellow, Ms Ferguson clarified that once a contractor had been appointed to the current Framework Contracts then price only was considered as all other factors had been assessed previously at an earlier stage of the procurement process.

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. FINANCIAL REVIEW 2015/16, QUARTER 1

A report was submitted by the Depute Chief Executive (Resources and People Services) recording the financial position at the end of the 1st quarter of the financial year 2015/16.

The Service Manager for Business Finance, Sarah Fortune, presented the report, referring Members to the report to Council, on 25 August, which had set out the 2014/15 year end position on the unaudited results. The final audited accounts would be presented to the Audit and Governance Committee on 22 September. She provided an overview of the Quarter 1 position. She drew attention to the overall General Services Revenue position, which reported an underspend, referring to the summary across service areas detailed in Appendix A. Two service areas, Children's Wellbeing and Adult Wellbeing, had been categorised as Medium risk. Ms Fortune also highlighted the position in relation to the Housing Revenue Account and General Services Capital budgets. She drew attention to the refreshed Capital Plan, Appendix D; the programme included a re-profiling of budgets based on recent review work which had been undertaken by the Capital Investment and Asset Management Group.

Councillor Currie queried slippage of certain projects as shown in the revised Capital Plan, remarking that this seemed to be a continual theme. Ms Fortune stated there was continued pressure on the capital programme. Regarding Whitecraig Community Centre and Port Seton Sports Hall specifically, she advised that the Finance Team could only profile based on information received from officers in the service areas; regarding delivery of projects she advised there was no significant suggestions to amend or delay any projects.

Councillor McMillan welcomed progress on the Mid Road Industrial Estate, which would provide good support to small to medium businesses.

Councillor Currie expressed concern. Surplus and underspends seemed to be based on unfilled vacancies, a decision had to be taken whether or not to fill these vacancies and if not, then what effect would this have on services. He referred to the Capital Budgets underspend of 14%; remarking that this slippage could not continue and raised concerns about the Capital Plan and projects being delayed or cancelled.

Councillor Akhtar praised the performance from staff across the Council. There were pressures in the Children's Wellbeing and Adult Wellbeing service areas; East Lothian was a growing county. The Council was managing its finances responsibly, meeting challenges and issues, and where resources were required they were being provided.

Councillor Grant, referring to the Adult Wellbeing position, recalled that last year there had been an overspend up to Quarter 3, but at the year-end the position had improved.

The Convener assured all Members that staffing levels were being constantly reviewed; there were pressure points and these would be addressed. He made reference to East Lothian's increasing population, the increasing demands on the Council and the decrease in financial provision. He also gave an assurance that it was the Administration's stated intention that all projects in the Capital Programme would be delivered.

Decision

The Cabinet agreed:

- i. to note the financial performance of services at the end of June 2015; and
- ii. to approve the refreshed General Services Capital Plan set out in Appendix D.

4. UPDATE ON COMMUNITY BENEFITS IN PROCUREMENT (CBIP)

A report was submitted by the Depute Chief Executive (Resources and People Services) updating Cabinet on the outcomes achieved by including Community Benefits clauses in contracts and advising on changes in how this was being implemented in practice.

Ms Ferguson presented the report, referring to the CBIP initiative launch and stakeholder event in 2012. She drew attention to the revised, more bespoke, approach now in place and the reasons for this change. She gave details of the number of CBIP opportunities realised within 2014/15, highlighting a number of examples. She reported on several future developments, referring to the ongoing work of the Procurement Team and East Lothian Works and the recruitment of a dedicated CBIP co-ordinator. She informed Members that the spend for each contractor through the Quick Quotes procurement route was now being aggregated and CBIP required when the £50,000 threshold had been reached.

In response to questions from Councillor MacKenzie, Ms Ferguson advised that in relation to the forthcoming changes to the procurement regulations more focus on community benefits would be of assistance in encouraging involvement from companies. In relation to schools, she advised that there was a need for schools to come forward and identify what type of benefits they felt would be advantageous to pupils; there was further work to be carried out in this regard.

Councillor Currie asked whether work experience was tracked to find out if it had led to employment or an apprenticeship. Mr Proudfoot agreed this linked to the development of young people into the workforce; he referred to a new case link management system within East Lothian Works. He confirmed that the Council did track any young person at risk of not reaching a positive destination. He advised that the new CBIP co-ordinator would liaise with and follow up requirements with contractors.

In response to questions from Councillor Akhtar, Ms Ferguson advised that East Lothian Council had been one of the early adopters of CBIP, adding that the Council's approach had been followed by other local authorities.

Councillor McMillan praised this well balanced report; particularly welcoming the Call in Care placement and the work carried out with Knox Academy. This report was a reminder that although companies should have corporate social responsibility, this had a cost element. He congratulated small to medium companies that had provided CBIP. He praised the strong CBIP framework around learners. He also welcomed the proposed cumulative approach as regards smaller companies.

Councillor Currie stated that CBIP had the potential to make a real difference, especially in areas of deprivation. He highlighted the importance of cross party agreement. Referring to the construction industry and the skills shortage in particular jobs, he stressed that this should be an area of huge opportunities for young people; the difficulty was in persuading employers. He welcomed the report and the steps proposed for going forward.

The Convener noted that the system would continue to be monitored and improved to ensure that the Council received the best possible benefits from companies through CBIP.

Decision

The Cabinet agreed:

- i. to note the outcomes achieved and current activities in progress as a result of incorporating community benefits into Council contracts,
- ii. to note the changes to the practical implementation of these clauses; and
- iii. to endorse the continuation of the Community Benefits in Procurement initiative.

5. ADULT WELLBEING – PAYMENTS TO THIRD SECTOR AGENCIES

A report was submitted by the Director of Health and Social Care Partnership seeking approval for the proposed amendments to the 2015-16 payments to third sector agencies agreed by Cabinet on 10 March 2015.

The Senior Operational Manager in Adult Wellbeing, Michael Murphy, presented the report, informing Members of the two amendments to the previous awards and the three new recommended awards, as detailed in the appendix to the report.

Decision

The Cabinet agreed:

- i. to note and approve the proposed reduction in payments to two third sector agencies for 2015-16; and
- ii. to note and approve three awards not reported in March 2015.

6. FLOOD RISK MANAGEMENT UPDATE

A report was submitted by the Depute Chief Executive, Partnerships and Community Services) updating Cabinet on the Flood Risk Management Strategy process and seeking approval of the inclusion of proposed Flood Protection Schemes (FPS) for Musselburgh and Haddington and further Flood Studies in various locations in East Lothian, in SEPA's List of Prioritised Actions.

The Team Manager for Structures, Flooding and Street Lighting, Dave Northcott, presented the report, informing Members that Flood Protection Schemes (FPS) for Musselburgh and Haddington had been included in SEPA's List of Prioritised Actions. The Scottish Government would contribute 80% of the cost of FPS. The List also included future Flood Studies for several other areas of East Lothian. He drew attention to the ongoing studies for Musselburgh and Haddington Flood Mitigation Measures and options identified for direct flood defences. It was envisaged that FPS for these two towns could be undertaken in the 2016/22 planning cycle subject to confirmation of the Scottish Government and Council funding allocation and the necessary approvals.

In response to questions Mr Northcott advised that the proposed Musselburgh FPS was ranked 11 out of 41 schemes and the Haddington FPS was ranked 36. He clarified the position, referred to in the appendix, regarding Cockenzie, Port Seton and Prestonpans.

Councillor Hampshire welcomed the report and that assistance would be provided to Musselburgh and Haddington. He stressed that the Council would be relying on the financial contribution from the Scottish Government as detailed in the report; the Council would not be able to fund the works required without this contribution.

Councillor Currie stated this was a good outcome for East Lothian and was welcomed. He drew attention to the comprehensive spending review, noting that the Scottish Government would be informed of their grant allocation from the UK Government in November.

Councillor McMillan welcomed the report. He commended improvements carried out to the river Tyne by Council officers and Friends of the River Tyne.

The Convener reiterated that the Council had to ensure that the financial contribution from the Scottish Government was provided as outlined in the report.

Decision

The Cabinet agreed to approve the inclusion of proposed Flood Protection Schemes (FPS) for Musselburgh and Haddington and further Flood Studies, in SEPA's List of Prioritised Actions.

7. MINUTES FOR NOTING

The minutes of the Safe and Vibrant Communities Partnership held on 16 February 2015, the Resilient People Partnership held on 18 February 2015 and the Sustainable Economy Partnership held on 25 February 2015 were noted.

Signed

Councillor Willie Innes
Council Leader and Convener of the Cabinet