



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

**TUESDAY 25 AUGUST 2015
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

1

Committee Members Present:

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

Council Officials Present:

Mrs A Leitch, Chief Executive
Mr A McCrorie, Depute Chief Executive (Resources and People Services)
Ms M Patterson, Depute Chief Executive (Partnerships and Community Services)
Mr D Small, Director of East Lothian Health & Social Care Partnership
Mr J Lamond, Head of Council Resources
Mr R Montgomery, Head of Infrastructure
Mr D Proudfoot, Head of Development
Ms M Ferguson, Service Manager – Legal and Procurement
Mr P Forsyth – Team Manager, Assets and Regulatory
Ms S Fortune, Service Manager – Business Finance
Ms J Mackay, Media Manager
Ms K MacNeill, Service Manager – Legal, Admin and Democratic Services
Ms C McCorry, Service Manager – Community Housing
Mr P McLean, Planner (Policy & Projects)
Ms L Shaw, Corporate Finance Manager
Mr G Simpson, Local Authority Liaison Officer (Police)
Mr P Vestri, Service Manager – Corporate Policy & Improvement
Ms E Wilson, Service Manager – Economic Development & Strategic Investment

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:

Councillor J Caldwell

Councillor A Forrest

Prior to the commencement of the meeting, Councillor Veitch announced that a former East Lothian District Councillor, Peter Crichton, had recently passed away. He paid tribute to the work of Mr Crichton, who had served the East Linton Ward from 1984 to 1996.

Order of business

The Provost announced that there would be an additional item of business – Former Cockenzie Power Station Site – and that this report would be discussed immediately after Item 5 (2015/16 Council Improvement Plan).

1. MINUTES FOR APPROVAL

The minutes of the Council meetings specified below were submitted and approved.

East Lothian Council – 23 June 2015

2. MINUTES FOR NOTING

The minutes of the meetings specified below were noted:

Local Review Body (Planning) – 18 June 2015

3. SUMMER RECESS BUSINESS 2015

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 15.5.

The Clerk advised that there had been one item of business carried out during the recess period – Amendments to the Health and Social Care Chief Officer Appointments Process. This report had been lodged in the Members' Library.

Decision

The Council agreed to note the business undertaken over the summer recess period.

4. LOCAL GOVERNMENT BOUNDARY REVIEW

A report was submitted by the Depute Chief Executive (Resources and People Services) informing the Council of the Local Government Boundary Commission for Scotland (LGBC) proposals to reduce the number of councillors in East Lothian from 23 to 22 and its proposal to make changes to current ward boundaries in East Lothian. The report also sought authority to respond to the consultation, opposing the proposal to reduce the number of councillors and to change ward boundaries.

The Service Manager for Licensing, Admin and Democratic Services, Kirstie MacNeill, presented the report, advising Members of the revised proposals to reduce councillor

numbers to 22 and amend the ward boundaries. She proposed that the Council should submit a response to the LGBC, based on the draft attached as Appendix 1 to the report. She further advised that a Freedom of Information request had been submitted to the LGBC seeking details of all documentation considered by them in relation to the inclusion of deprivation as a factor. She drew attention to the public consultation exercise and noted that an update would be presented to Council in October.

A number of Members commented on the lack of evidence provided in including deprivation as a factor, and also expressed concern at the prospect of constituents in some areas being under-represented as a result of the proposed changes. There were also comments made in relation to the impact on community ties, school catchment areas, the projected increase in East Lothian's population and councillor workload.

Councillor Hampshire proposed that a letter be submitted to the Minister requesting him to reject the proposal should the final recommendation from the LGBC be to reduce councillor numbers. This proposal was seconded by Councillor Berry. Councillor Currie suggested that it may not be appropriate for the Minister to intervene, given that the outcome of the process would be determined by the Scottish Parliament.

The Chief Executive advised that the methodology approved by the LGBC was based on population (based on the 2013 population figures), and that it was at a later date that deprivation had been introduced as a factor. She indicated that there had been no endorsement of the inclusion of the deprivation factor at Parliamentary level. She believed that the Minister was unlikely to intervene unless he was of the view that the methodology was flawed.

Decision

The Council agreed:

- i. to note the Local Government Boundary Commission for Scotland's proposals to reduce councillor numbers in East Lothian from 23 to 22 and to change ward boundaries;
- ii. to authorise officers to submit a response to the LGBC consultation, based on the draft attached as Appendix 1 to the report; and
- iii. that, should the LGBC recommend a reduction in councillor numbers, the Chief Executive would consider making representation to the Minister seeking a rejection of the proposals.

5. 2015/16 COUNCIL IMPROVEMENT PLAN

A report was submitted by the Chief Executive presenting the 2015/16 Council Improvement Plan (CIP) to the Council for approval.

The Service Manager for Corporate Policy and Improvement, Paolo Vestri, presented the report, drawing attention to the 2015/16 CIP and noting that there were no actions resulting from the corporate governance self-evaluation or from the external auditor's audit reports. He noted that an update report would be presented to the Audit & Governance Committee in late 2015/early 2016.

In response to questions from Members, Mr Vestri undertook to provide further information on the benchmarking exercises used. He also updated Members on the web development project, advising that the original proposal had not gone ahead; however, a bid would be

made to the Cost Reduction Fund (CRF) with a view to progressing the project this year. The Head of Council Resources, Jim Lamond, added that the IT budget for 2014/15 had been fully allocated, and that the funding required for the web development project had been earmarked to come from the CRF. He was confident that this project would be carried out during the current financial year.

Decision

The Council agreed:

- i. to note the update report on the 2014/15 Council Improvement Plan (attached as Appendix 1 to the report); and
- ii. to approve the 2015/16 Council Improvement Plan (attached as Appendix 2 to the report).

5a. FORMER COCKENZIE POWER STATION SITE

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) noting both the withdrawal of Scottish Enterprise proposals and the confirmation of Scottish Power's stated intention to relinquish the existing Section 36 Planning Consent for Thermal Power Generation on the site. In the context of these significant changes, the report sought to re-affirm the mandate and direction given to officers to secure the future of the site.

The Head of Development, Douglas Proudfoot, presented the report, advising of the proposals in relation to the future of the Cockenzie Power Station site. He noted that this was a commercially sensitive and complex issue, and highlighted the importance of continued engagement with all parties. He also pointed out that resources to take the proposals forward would need to be identified.

Responding to questions from Members, Mr Proudfoot advised that a further report outlining the options for the site would be presented to Council in due course, and that a wide-ranging consultation process involving all stakeholders would be undertaken. He also made reference to the need to take account of the Strategic Development Plan and the National Planning Framework. Morag Ferguson, Service Manager – Legal and Procurement Services, confirmed that all Members and officers were bound by the confidentiality agreement between the Council and Scottish Power.

Several Members emphasised the importance of taking the views of the community into account when preparing the masterplan for the site. There were also suggestions that the Council should seek to secure the site in order to determine the best use for it, both in terms of serving the interests of the community and maximising the potential economic benefits. Councillor Berry spoke of the potential for developing a cruise liner terminal at the site, given that the port at Leith did not have the capacity to accommodate large liners.

The Council's Economic Development Spokesperson, Councillor McMillan, welcomed the report and the opportunity to look at options for the future of the site. He stated the need to develop a masterplan that was sustainable and which met the objectives of the Council Plan and the Economic Development Strategy.

Councillor Hampshire pointed out that there was no commitment at this stage for the Council to purchase the site, and warned of the potential risks should the Council seek to secure ownership of it. He also expressed concern at the future of electricity generation in Scotland.

Councillor Innes urged Members not to pre-empt the use of the site prior to the development of the masterplan. He highlighted the importance of community engagement and welcomed the proposals to enter into discussions with all stakeholders.

Decision

The Council agreed:

- i. to note the updated position in relation to the site;
- ii. to continue engagement with all parties and work in partnership, where applicable, to ensure that all potential opportunities and benefits are explored and maximised whilst all risks and drawbacks are identified and mitigated;
- iii. to commission independently, or jointly with others, a masterplan for the site;
- iv. to re-affirm its agreement that officers should explore all options, including joint venture and public ownership, to secure the future of the proposed site should this be required to optimise its potential;
- v. to authorise the formation of a project team, utilising both internal and external resources, to inform and develop proposals; and
- vi. to continue the cross-party Member and officer group to oversee option and engagement work undertaken.

6. 2014/15 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 2014/15, and finalising the arrangements for the carry-forward of funds into 2015/16.

The Head of Council Resources, Jim Lamond, presented the report, advising that the draft unaudited accounts had been signed off and submitted to Audit Scotland within the required timescale, and that it was expected that the auditor's annual report would be presented to Council in October. He highlighted the key aspects of his report as regards reserves, the general services account and the housing revenue account (HRA). He noted that, due to the decision just made to commit funds from reserves to support the work on determining the future of the Cockenzie Power Station site, the transfer of surplus reserves to the capital fund would now amount to £5.752 million.

Mr Lamond responded to a number of questions from Councillor Currie, noting that in a number of areas retaining vacancies could not be sustained in the long term, and that in some cases vacancies were being held pending the outcome of service reviews. As regards capital expenditure, Mr Lamond advised that progress had been made in the fourth quarter, both in general services and the HRA; he also expected an increase in expenditure in the next year, noting that some projects may cost less than projected and some may not proceed. On the mortgage to rent scheme, Mr Lamond pointed out that the number of applications in 2014/15 was down on the previous year. As regards properties at the higher end of the market which fall outwith the scope of the scheme, Members were advised that representation had been made previously to the Scottish Government on this matter, but that no flexibility had been given. The Service Manager – Community Housing, Caitlyn McCorry, advised that the scheme was publicised through leaflets and the Council website. She

added that work was ongoing with Property Maintenance to deliver the modernisation programme.

Councillor Berry asked for further information on the Council's pension liabilities, particular in relation to the increase in liabilities of £43.2 million. Mr Lamond explained that a guarantee had been given that employer contributions would not increase. He had questioned the actuary on this issue in March 2015, who had advised that he was confident about the monitoring that was being undertaken and that there would be no change in contributions. Mr Lamond offered to discuss other aspects of the report with Councillor Berry outwith the meeting.

Councillor Veitch welcomed the report, drawing particular attention to progress made as regards reserves, borrowing, debt charges, road improvements and town centre regeneration.

Councillor Currie expressed concern at the overspends in Children's and Adult Wellbeing services, and at the reduction in the budget for additional support needs in Education. On the capital programme, he warned that with current levels of slippage, there would be an overspend in Year 4. He also noted that there had been a 60% decrease in the number of Council houses being built.

Councillor Innes accepted that there were a number of issues that required to be resolved, and that the Council would face further financial pressures in coming years. However, he reported that the Council, through effective management, had limited the impact of budget cuts, and this should be welcomed.

Councillor Akhtar paid tribute to Council staff who had worked hard to continue providing services despite the ongoing financial challenges.

Decision

The Council agreed:

- i. to note the financial results for 2014/15 based on the Council's unaudited accounts, including the impact on reserves and the Council's Financial Strategy; and
- ii. to approve the transfer of the additional surplus reserves of £5.752m to the General Services Capital Fund, in line with the Council's agreed financial strategy.

7. COMMON GOOD FUNDS – BUDGET 2015/16 TO 2017/18

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval for the budgets for the Dunbar, Haddington, Musselburgh and North Berwick Common Good Funds over the current and following two years and recommending that the Common Good Committees develop their local expenditure proposals within these budgets.

The Head of Council Resources, Jim Lamond, presented the report, drawing attention to the fund balances, based on the 2014/15 unaudited accounts, and the proposed budgets for each fund for 2015/16. As regards Musselburgh Common Good Fund, he advised that the level of uncommitted grant expenditure for 2015/16 was £100,000. There was also £100,000 allocated to the Riding of the Marches (£50,000 in 2014/15 and £50,000 in 2015/16), as agreed by the Council in December 2014.

In response to a question from Councillor Currie, Mr Lamond noted that there were restrictions on how Common Good funds could use their asset base, and that he would discuss this further with him outwith the meeting. He also provided Councillor Berry with an explanation as regards premises costs (repairs and maintenance) figures relating to North Berwick Common Good. Councillor Berry remarked on the lack of maintenance carried out on these properties.

Decision

The Council agreed:

- i. to approve the budgets for the four Common Good Funds for 2015/16 to 2017/18, as outlined in Appendices 1a – 1d of the report; and
- ii. to note the investment performance of long-term Common Good Fund balances with East Lothian Council's investment managers, Investec Wealth & Investment Ltd.

8. SOUTH EAST SCOTLAND STRATEGIC DEVELOPMENT PLAN (SESPLAN) MAIN ISSUES REPORT – CONSULTATION RESPONSE

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking to consider the means of finalising the response to the consultation on the Main Issues Report (MIR2) for the second South East Scotland Strategic Development Plan (SDP2).

The Head of Development, Douglas Proudfoot, spoke to the report, drawing attention to the consultation process and to a briefing which had been arranged for Members on 11 September. He advised that following the consultation period the SDP2 would be developed and would be presented to Council for ratification.

Responding to questions from Members, Mr Proudfoot indicated that maintaining the housing land supply was a complicated matter, which would be determined through options set out in the consultation. As regards the Cockenzie site, he advised that this would be included in the SDP as it was concerned with economic development. He further advised that engagement with stakeholders and the Scottish Government as regards the flexibility of National Planning Framework 3 would continue.

Mr Proudfoot pointed out that the Council's Local Development Plan (LDP) would have to conform to SDP1, at the same time that the process to develop SDP2 was underway. He stated that the Council's views were vital as SDP2 would set the context for the next LDP.

Councillor Currie voiced his concern at the suggestion that the trams could be extended to Musselburgh. His view was supported by Councillor Veitch, who remarked that the inclusion of this proposal could devalue the Council's submission. He did, however, welcome the suggested establishment of a rail halt at East Linton and the dualling of the A1 between East Lothian and England.

Councillor Berry called on the Council to be proactive in its response to the consultation, particularly as regards the provision of sustainable employment in East Lothian.

Councillor Hampshire commented that there was a general feeling that East Lothian had taken more than its fair share of housing, whilst any economic development was being delivered in Edinburgh. He agreed with Councillor Berry that employment should be distributed throughout Edinburgh's neighbouring counties.

Decision

The Council agreed:

- i. to discuss the issues raised by the MIR at a briefing meeting and workshop with officers; and
- ii. to delegate to the Head of Development, in collaboration with the Cabinet Spokesperson for Housing and Environment, the final response to the consultation, subject to the discussions at the meeting and workshop outlined in (i) above.

9. PROPOSED INTRODUCTION OF DECRIMINALISED PARKING ENFORCEMENT – PARKING ATTENDANT SERVICE

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking approval to present a business case to Transport Scotland to commence the statutory procedure necessary to decriminalise parking enforcement (DPE) in the East Lothian Council area.

The Head of Infrastructure, Ray Montgomery, presented the report, outlining the statutory process and requirements on the Council as regards the decriminalisation of parking enforcement, and noting that in East Lothian the business case would be based on anticipated fine income and an element of parking charges raised on coastal car parks. He advised that the public, the Scottish Parking Service Appeals Service, Police Scotland, neighbouring authorities and the Traffic Commissioner would be consulted at various points in the process. He reported that a consultant would need to be engaged to undertake the validation of the Council's Traffic Regulation Orders (TROs), at a cost of c. £60,000, and indicated that DPE could be introduced in East Lothian by April 2016.

In reply to questions from Councillor Berry, Mr Montgomery explained that he anticipated that Transport Scotland would process the business case quickly and that parking attendants could be in place by April 2016. He confirmed that one possible use of income generated could be to provide shuttle buses from park and ride sites.

Councillor Veitch welcomed the report and the proposals. He stated his opposition to parking charges in town centres, and was pleased that this had been ruled out. He also noted that the Administration was committed to keeping the cost of the scheme to a minimum and welcomed the proposal to fund it using income from fines and coastal car park charges.

Councillor Currie objected to the suggestion that the scheme should be funded from coastal car park income and called for a further report to Council on this aspect of the proposals. He referred to the impact of the withdrawal of Police Scotland traffic wardens on town centre parking and hoped that the proposed scheme would alleviate these problems. Councillor Hampshire reminded him that money from existing services could not be used to fund the scheme and that the only way of doing this was by using a proportion of the coastal car park income.

Mr Montgomery confirmed that, as there was no appetite from Members to expand the current TROs, a mixture of income from fines and coastal car parking charges would be necessary to fund the scheme, and that a requirement of the business case was that the scheme would be self-financing after a period of five years.

There followed a debate as regards the funding of coastal car parking facilities and the use of income generated by charges at these car parks.

The Chief Executive proposed that the business case for DPE should be presented to Council or Cabinet for discussion and decision.

Councillor McMillan requested that the business case should include information on the benefits of the scheme to town centres and tourism.

Mr Montgomery pointed out that the business case would need to comply with Transport Scotland's criteria and format.

Councillor Currie reiterated his opposition to the proposal to use coastal car park income to contribute to the funding of the scheme.

Decision

The Council agreed:

- i. to refresh and update the Parking Management Strategy and progress the development of a business case to submit to Transport Scotland for approval to decriminalise parking enforcement in the East Lothian area;
- ii. that the business case for the scheme should be presented to Cabinet/Council for approval; and
- iii. to undertake the necessary examinations and consultations appropriate in setting up a Parking Management Service within the area.

10. ARRANGEMENTS FOR SCRUTINY OF POLICE AND FIRE & RESCUE SERVICES

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) presenting Council with a proposal to establish a new Community Safety Committee.

The Service Manager for Corporate Policy and Improvement, Paolo Vestri, presented the report, advising that the arrangements for scrutinising police and fire and rescue services had been reviewed and that it was proposed that a new committee should be established to carry out the scrutiny of these and other community safety functions.

Councillor Day welcomed the report, commenting that the proposed arrangements would allow the Council to influence national policy and ensure that the priorities of these services were being delivered. He proposed an amendment to the name of the committee in order to reflect its main purpose; he proposed that it should be called the Police, Fire and Community Safety Scrutiny Committee. This proposal was seconded by Councillor Veitch. A proposal by Councillor MacKenzie to call the committee the Police, Fire and Community Wellbeing Scrutiny Committee was not supported. The amended title, as proposed by Councillor Day and seconded by Councillor Veitch was supported unanimously.

The report was also welcomed by Councillors Currie and Berry, who expressed concern at changes in Police personnel at a local level, which had made it difficult for officers to build up relationships with local communities.

Political groups were invited to nominate members of the new Committee:

Labour Group – Councillors Gillies, Goodfellow, Libberton and McNeil
SNP Group – Councillor MacKenzie, McAllister and McLeod
Conservative Group – Councillor Day
Independent Member – to be confirmed

Councillor Innes nominated Councillor Day as Convener of the Committee. This nomination was supported unanimously. It was noted that the Depute Convener would be appointed by the Committee at its first meeting.

Decision

The Council agreed:

- i. to amend the Scheme of Administration, as set out in Section 3.12 of the report, and establish a Police, Fire and Community Safety Scrutiny Committee with the terms of reference detailed in Appendix 1 to the report;
- ii. to appoint Councillor Day as the Convener for the Police, Fire and Community Safety Scrutiny Committee; and
- iii. to nominate the following Councillors as members of the new Police, Fire and Community Safety Scrutiny Committee: Councillors Day, Gillies, Goodfellow, Libberton, MacKenzie, McAllister, McLeod and McNeil (+ one independent Councillor to be confirmed).

11. APPOINTMENT TO THE POST OF HEAD OF SERVICE (DEVELOPMENT)

A report was submitted by the Chief Executive advising the Council of the decision of the Chief Officer and Head Teacher Appointments Sub-Committee to appoint Douglas Proudfoot to the post of Head of Service (Development).

All those present at the meeting joined the Chief Executive on congratulating Mr Proudfoot on his appointment to the post of Head of Development.

Decision

The Council agreed:

- i. to note the decision of the Chief Officer and Head Teacher Appointments Sub-Committee to appoint Douglas Proudfoot as Head of Service (Development) and to note that, following receipt of satisfactory pre-employment checks, Mr Proudfoot commenced in post with effect from 22 June 2015; and
- ii. to note the minute of the Chief Officer and Head Teacher Appointments Sub-Committee held on 18 and 19 June 2015 for the appointment of the Head of Service (Development), as set out in Appendix 1 to the report.

12. SUBMISSIONS TO THE MEMBERS' LIBRARY, 11 JUNE – 12 AUGUST 2015

A report was submitted by the Depute Chief Executive (Resources and People Services) advising Members of the reports submitted to the Members' Library since the last meeting of the Council.

Referring to Item Ref: 109/15 (Proposed Extension to Dunbar Primary School), Councillor McLennan noted that this contract had been allocated to a Paisley-based contractor, and commented on statements previously made by members of the Administration as regards awarding contracts to local contractors. Councillor Innes advised that the Administration was complying with the current procurement framework, which was introduced by the previous Administration.

Decision

The Council agreed to note the reports submitted to the Members' Library Services between 11 June and 12 August 2015, as listed in Appendix 1 to the report.

Signed

Provost Ludovic Broun-Lindsay
Convener of the Council

East Lothian Partnership

MINUTES OF THE MEETING OF THE EAST LOTHIAN PARTNERSHIP

WEDNESDAY 13 MAY 2015
QUEEN MARGARET UNIVERSITY

2a

Partnership Members Present:

Willie Innes, Chair, ELC (WI)
Stuart Currie, Leader of the SNP Group, ELC (SC)
Mike Ash, Chair, East Lothian Health & Social Care Partnership/Chair, RPP (MA)
Alasdair Perry, Local Senior Officer, Scottish Fire & Rescue Service (AP)
Professor Alan Gilloran, Deputy Principal, Queen Margaret University (ELP Vice-Chair) (AG)
Chief Superintendent Gillian Imery, Divisional Commander, Police Scotland (GI)
Angela Leitch, Chief Executive, East Lothian Council (AL)
Monica Patterson, Depute Chief Executive ELC/Chair, SVP (MP)
Gordon Henderson, Federation of Small Businesses (GH)
David Leven, Scottish Enterprise (DL)
Linda McNeill, Depute Chief Executive STRiVE (LM)
Susan Goldsmith, Director of Finance, NHS Lothian Board (SG)
Zoe Inglis, Chair, Association of East Lothian Community Councils (ZI)

Others Present:

David Small, Joint Director East Lothian Health and Social Care Partnership (DS)
Douglas Proudfoot, Acting Head of Development, ELC (DP)
Eamon John, Service Manager Sport, Countryside and Leisure, ELC (EJ)
Kay Morrison, Active Schools Co-ordinator, ELC (KM)
Margot Crosbie, Area Manager, East Lothian, Midlothian and the Scottish Borders, Skills Development Scotland (MC)
Veronica Campanile, Policy Officer, ELC (VC)
Paolo Vestri, Corporate Policy & Improvement Manager, ELC (PV)
Dean Mack, Scottish Fire & Rescue Service (DM)
Fiona Stewart (clerk), ELC

Partnership Members Apologies:

Michael Veitch, Leader of the Conservative Group, ELC
George Archibald, Chief Executive, East Lothian and Midlothian Chamber of Commerce
Neville Prentice, Senior Director, Development and Delivery of Skills Development Scotland
Ray McCowan, Vice Principle Education Leadership, Edinburgh College
Tim Ellis, Chief Executive, National Records of Scotland, Scottish Government
Eliot Stark, Chief Executive, STRiVE
Mark Ormiston, Chair ELTRP

The Chair, Councillor Innes, welcomed everyone to the meeting and thanked Alan Gilloran for hosting the meeting at Queen Margaret University. The Chair also gave a special welcome to Alasdair Perry, who is the new member for the Scottish Fire and Rescue Service.

1a. MINUTES OF THE MEETING OF 21 JANUARY 2015

The minutes of the East Lothian Partnership of 21 January 2015 were approved.

1b. MATTERS ARISING

Single Outcome Agreement Improvement Plan Update

Veronica Campanile referred to the Action to arrange a meeting with each Partner's governance body to receive a briefing on the work undertaken by East Lothian Partnership and she urged all Partners to contact her to agree dates. Angela Leitch stated this briefing would bring Partners closer to the work of ELP and strengthen shared responsibility which is in line with the community planning aspect of the Community Empowerment Bill. The first of these meetings would take place next week at Queen Margaret University.

Integration Joint Board (IJB)

Mike Ash anticipated that the new IJB would be set up before the next meeting of the ELP.

Paolo Vestri advised that a draft of East Lothian Partnership's Approach to Reducing Inequalities Through Prevention and Early Intervention would come to the next ELP meeting for formal approval.

2a. MINUTES OF THE MEETING OF 3 MARCH 2015

The minutes of the East Lothian Partnership meeting of 3 March 2015 were approved.

2b. MATTERS ARISING

The East Lothian Plan, Single Outcome Agreement: Performance Report 2013/14

Veronica Campanile advised that all the Priority Actions for Partners for 2015/16 had been accepted and that the final list would be circulated. Of the 4 prioritised by this Partnership one was on the agenda and the other 3 would be reported at the October meeting. She also advised that the revision of the Performance Framework had almost been completed.

Paolo Vestri stated that 6 or 7 Outcome indicators had yet to be finalised and requested the outstanding updates as quickly as possible. The Child Poverty Indicator could not be updated until the IS community planning benchmarking indicators had been received. This would ensure that the Partnership had a nationally accepted Indicator which was reliable and sustainable. Other Outcome indicators to be finalised included Youth Achievement, Teenage Pregnancy, Health Inequalities, Older People's Wellbeing, Crime and Community Safety.

The Chief Executive stressed that these Indicators would demonstrate the achievement of the Partnership's aims and provide trend data for all Partners to measure collective performance.

3. PARTNERS STRATEGIC ISSUES: JOINT INSPECTION OF OLDER PEOPLE'S SERVICES

Angela Leitch advised that the Local Area Network had informed her that a joint inspection of Older Peoples Services was due to be carried out in East Lothian by the Care Inspectorate.

Key points:

- No date for this had yet been confirmed
- 12 weeks notice would be given of the inspection
- On receipt of the Inspection date, statements would be required from Partners
- Inspectors would scrutinise performance (Performance Improvement Plans important)
- The Project Group would be headed up by Sharon Saunders (The Council's Head of Children's Wellbeing) who had had experience of such an inspection
- The Inspection would focus on older people but would likely cover other issues such as adult addiction.

David Small stated that:

- A Steering Group would be established
- A launch event had been held in February and another meeting would be held soon
- There were 10 Indicators on the readiness of the Integration Joint Board and Inspectors would be expecting a Position Statement of 2-3 pages on each
- The Inspectors would look for areas of improvement to be identified
- 6 weeks would be allowed for statements to be submitted after receipt of the Inspection date
- A workshop had been held 2 weeks ago where strengths and weaknesses on each of the indicators had been discussed
- The Inspection would last for 24 weeks from start to finish

AL praised the important contributions made by Partners, in particular, the Fire and Rescue Service keeping people safe, and Sport, Countryside and Leisure keeping people active. She asked Partners to begin examining the important links they have established with other Partners in preparation for the Inspection.

The East Lothian Plan (SOA 2013)

4. PARTNERSHIP IMPROVEMENT PLAN 2015/2016 - UPDATE

Paolo Vestri presented an update on progress in delivering East Lothian Partnership's Improvement Plan 2015/16 (approved by this Partnership on 3 March 2015).

Improvement Point 6 [Review the Members Handbook]

PV advised that the review of the Members Handbook was underway and outlined the process for recruiting independent Chairs. A paper 'Process for appointing an Independent Chair for the Sustainable Economy Partnership: PART 1 – The Process and timetable' was tabled and approved.

Key points:

- The Chairs group would agree the role and recruitment process
- It was hoped that the advertising campaign for the Chair of the Sustainable Economy Partnership would begin in early June.
- The initial appointment would be for 2 years
- The new Chair would become a full member of ELP and SEP

Comments

- AL stated that she would like the advert for the position of Chair (SEP) to be circulated as widely as possible

Improvement Point 11 [Third Sector Interface (TSI)]

Linda McNeill referred to the Improvement Action to bring forward a proposal to strengthen the role of the TSI in the ELP which may come to the October meeting or a later one depending on progress. She provided an update for Partners stating that Oliver Escobar of Edinburgh University was working with STRiVE and local third sector organisations to develop a local mechanism for the Sector and that she would be meeting with him towards the end of the month to progress this initiative.

Decision on the Recommendations/Action

The Partnership agreed to:

- *Consider progress on the points detailed in the updated Improvement Plan in Appendix 1 to the report;*
- *Approve the proposal to recruit and select a new chairperson for the Sustainable Economy Partnership and tabled paper; and*
- *Receive an update on the Improvement Plan at the October meeting*

5. PARTNERSHIP ASSET MANAGEMENT PLAN

Douglas Proudfoot spoke to the report and stated that the draft Plan would continue to be developed.

Key points

- The Stages in development of the Plan were outlined in Section 7 of the Plan
- What has been achieved so far was outlined in Section 9 of the Plan (Partnership Asset Planning Activity)
- Section 13 of the Plan highlighted how Partners could maximise the opportunities which asset management offers
- A Joint Property Asset Management Group was proposed which would be chaired at senior executive level

Comments

- SG supported having a Joint Group but pointed out that it was important to be clear who would be leading it. Without a Project Manager or Director it could prove difficult to drive forward.
- DP stressed that members of the Joint Group would have to collaborate effectively to make a meaningful difference.
- GI supported the Joint Group and advised that Angus McInnes was the point of contact for the Police. She added that the Police needed to change their footprint and the way in which the public accessed their services.
- AP stated that Fire & Rescue Service asset management plans were being developed on a national basis. He described the local Asset Plan as a challenge but he wanted to participate in the process.
- AL acknowledged that the Police and Fire & Rescue Service were moving to a national model of asset management but urged Partners to commit to the Joint Group. It would also be imperative to appoint the right person to take it forward.
- AL stated that a successful Asset Management Plan would enhance their communities. It would also enable Partners to see what new models of provision look like and what capacity that would offer. New models of service could also be delivered.
- SC stated that, in terms of assets, it is not only about what Partners currently have but also about what the Capital Investment Plan would be. The ongoing revenue consequences of decisions which would be made by the Joint Group also had to be considered.
- DL asked, in relation to management capacity, if there was any merit in joining up with a neighbouring authority
- AG welcomed the introduction of the Joint Group and highlighted that many of the facilities at QMU could be shared (eg clinics, sports facilities etc)
- MA stated that where collaborative efforts have been successful, it has been driven by an individual and he urged the Partnership to drive this initiative forward.
- SG pointed out that each partner would need to nominate their representative on the group
- DP stated that the priority had to be establishing the Group and appointing someone to lead the Group. He would also welcome a wider membership of the Joint Group as the Group would benefit from having additional expertise.
- MP intended to arrange a meeting of the Joint Group as soon as possible and would contact Partners for the names of those who would represent them.
- WI agreed that the Joint Group should be established as soon as possible.

Decision on the Recommendations/Action

The Partnership agreed:

- *The Principles set out in Section 4 of the Plan*
- *The stages in development of the Plan set out in Section 7; and*
- *The Governance and Joint Community Asset Planning arrangements set out in Section 13*

Action

- Set up the joint group and partners to name their representative - MP

6a. PRIORITY ACTIONS FOR PARTNERS 2015/16: PHYSICAL ACTIVITY WITH A FOCUS ON HEALTH AND WELLBEING

Eamon John presented the East Lothian Physical Activity Framework which would guide the future development and allocation of resources to deliver the East Lothian Plan 2013 contributory outcome: people are more physically active.

Key points

- Research showed that there was a need to focus on people who were not active at all and to increase the physical activity of older people
- Physical activity with a focus of health and wellbeing is one of the four priority actions for Partners for 2015/16
- The physical activity framework is based on 'A More Active Scotland', the national physical activity implementation plan
- A physical activity strategic planning group has been established with representatives from ELC, NHS Lothian and STRiVE.
- A physical activity planning and implementation group has been established which will report to the strategic group.

Comments

- AL asked if there was a baseline for the intermediate outcomes from the Framework and EJ replied that the only guide was the Scottish Household Survey which had relatively small numbers and that further information may be possible through the Citizens Panel
- VC advised that more young people up to the age of 25 were about to be recruited to the Youth E-Panel. It was not known what the barriers were as this information is not included in the Household Survey.
- EJ advised that, there could be a 30% increase in the number of residents in East Lothian further driving the need to focus on planning for all population groups in our environments.
- PV advised that the Council was receiving funding from the Scottish Government for Active Travel - to encourage more people to walk and cycle in their daily lives.

- VC stated that it was also about making active travel fun, not just walking or cycling to school/work. The facilities had to be available and some made more interesting.
- AG advised that a new degree course was being introduced at QMU - Physical Activity, Health and Wellbeing and there was interest in creating outdoor gyms.
- EJ suggested this would be useful to bring to the table with developers and that academics could assist with research
- SC stated that there was a crucial point to consider around the Council's Main Issues Report (MIR), particularly in relation to developers' contributions and the provision of GP services where there was now a joint responsibility. He stated that the barriers to active lifestyles needed to be identified. Finance too. Key milestones and key outcomes had to be reached to ensure that progress was being made.
- EJ advised that record numbers of people were using the services of EnjoyLeisure. There was also a leisure programme for families on benefits and his team was working alongside health partners with people who had long term health conditions.
- DP confirmed that the local economy was growing and stated that developers needed to add value to the communities where they build.
- WI stated that East Lothian excels at delivering activities and sport. More were using the facilities on offer but that was mainly the people who were interested. The cost to the community was those who were not engaged. The root cause of this needed to be identified. The Framework was needed to deliver coherent progress.

Decision on the Recommendations/Action

The Partnership approved:

- *The East Lothian Physical Activity Framework as the guiding document in the delivery of this Priority Action and the contributory outcome highlighted in Appendix 1 to the report;*
- *The structure as the main delivery mechanisms in Appendix 2 to the report; and*
- *Agreed to receive a follow up report to consider the delivery plan and performance monitoring in Autumn 2015*

7. FINANCIAL REPORT 2014/15 AND BUDGET 2015/16

Paolo Vestri presented the report.

Key Points:

- There was an underspend of £10,990 in the 2014/15 budget as some projects could not be carried out

- Partners' contributions for this financial year are £30,000: £20,000 from ELC and £10,000 from NHS Lothian. The draft budget currently shows proposed expenditure totalling £44,500, with an overspend of £11,076.
- A review of funding allocated to the shared community engagement post was planned following creation of the Health and Social Care Partnership
- A Graduate Intern employed by the Council for 6 months had produced an updated statistical profile and it was now proposed to recruit a Data Analyst from September 2015 to March 2016 which had been included in the budget.

Comments

- SC stated that an investment was needed now from all Partners. Contributions in kind could be considered.
- AG asked if staff working in East Lothian should be included. He expected that there were others in the room with staff giving a high percentage of their time to East Lothian.
- AL considered that the appointment of a Data Analyst was crucial. The Analyst could then demonstrate what the priorities were based on the evidence he had gathered.
- MA reported that the Integration Joint Board would provide no new money; the resources would simply be channelled in a different way. However, it was clear to him that the analysis of data would drive everything forward.
- WI stated that finance arrangements were always difficult. The Partnership needed to decide collectively how to move forward. There needed to be an understanding that sufficient resources were needed to deliver the aims of the Partnership and if this budget was agreed all partners needed to check the resources available in their organisations.

Decision on the Recommendations/Action

The Partnership agreed to:

- *Note and approve the contents of the financial report for 2014/15*
- *Consider and approve the budget allocations for 2015/16 presented in the draft budget*
- *The proposal to create a partnership Data Analyst post and that further discussions be held between the Partners on the funding for this post and contributions towards the cost of the Citizens Panel.*

8. FEEDBACK ON THE SUPPORTING PARTNERSHIP MEETINGS

a. Draft Minute of the Sustainable Economy Partnership meeting of 25 February 2015

David Leven, Chair, stated that in relation to Business Growth the top 20 employers in East Lothian had been identified and some of those would be drawn into the SEP. He added that they had struggled with the capacity to achieve all that they wanted to achieve. A new Chair was due to be appointed soon.

In relation to the Employability priority, Margot Crosbie advised that the most recent development was to merge two partnership groups; Employability and Positive Destinations with Jane Handley of Edinburgh College as the lead.

Willie Innes thanked David Leven for driving the SEP forward, saying that it had been a key area for the Partnership.

b. Draft minute of the Resilient People Partnership meeting of 18 February 2015

Mike Ash, Chair, stated that when the Integration Joint Board was established, it would formally adopt the Strategic Plan. When the Plan was finalised, it would be brought back to the Partnership. Mr Ash highlighted in particular the work done on the Autism Strategy and the work done with MELDAP.

Veronica Campanile advised that Edinburgh College was now represented on RPP and ELP.

c. Draft Minutes of the Safe and Vibrant Communities Partnership meeting of 16 February 2015

Monica Patterson, Chair, highlighted the three priorities of this Group; road safety, volunteering and community development/resilience. Ms Patterson also highlighted the work which had been done with the Police. Angela Leitch welcomed the new model of provision which would be provided by the Fire and Rescue Service.

9. ANY OTHER BUSINESS

Alasdair Perry stated that the Fire and Rescue Service was currently producing a Strategic Plan for 2017 onwards and advised that he would be contacting Partners in this regard.

NEXT MEETINGS

- Wednesday 7 October 2015, 2-4pm, Saltire Rooms, East Lothian Council, John Muir House, Haddington
- Wednesday 20 January 2016, 2-4pm, venue tbc



**MINUTES OF THE MEETING OF THE
LOCAL REVIEW BODY**

**THURSDAY 27 AUGUST 2015
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

2b

Committee Members Present:

Councillor T Day (Chair)
Councillor J McNeil
Councillor J Gillies

Advisers to the Local Review Body:

Mr P McLean, Planning Adviser to the LRB
Mrs M Ferguson, Legal Adviser/Clerk to the LRB

Others Present

None

Committee Clerk:

Mrs F Stewart

Declarations of Interest

None

Apologies

Councillor J McMillan
Councillor N Hampshire

Councillor Day was elected to Chair today's meeting by Councillor Gillies and Councillor McNeil. Duly elected, Councillor Day welcomed everyone to the meeting.

Morag Ferguson, Legal Adviser, stated that all three planning applications were being presented today in the form of written submissions and that site visits had been carried out prior to the meeting today. She also advised that a Planning Adviser, who had had no involvement with the determination of the original applications, would provide information on the planning context and background of each application.

**1. REVIEW AGAINST DECISION (REFUSAL)
PLANNING APPLICATION No: 15/00135/P – PLANNING PERMISSION
FOR THE ERECTION OF ONE FENCE (RETROSPECTIVE) AT 6
BALFOUR SQUARE, TRANENT**

The Legal Adviser stated that the ELLRB was meeting today to review the above application which had been refused by the Appointed Officer. Members had been provided with written papers, including a submission from the Case Officer and review documents from the applicant. After hearing a statement from a Planning Adviser summarising the planning policy issues, Members would decide if they had sufficient information to reach a decision today. If they did not, the matter would be adjourned for further written representations or for a hearing session and Members would have to specify what new information was needed to enable them to proceed with the determination of the application. Should Members decide they had sufficient information before them, the matter would be discussed and a decision reached on whether to uphold or overturn the decision of the Appointed Officer. It was open to Members to grant the application in its entirety, grant it subject to conditions or to refuse it.

The Chair invited the Planning Adviser to present a summary of the planning policy considerations in this case.

Phil McLean, Planning Adviser, stated that the property was a single storey detached house and that the application was seeking retrospective permission for a 2.5m high timber fence adjacent to the rear garden boundary. He advised that the Planning Act requires decisions on planning applications to be taken in accordance with development plan policy unless material considerations indicate otherwise. The development plan consisted of the approved Strategic Development Plan for Edinburgh and South East Scotland, known as SESplan, and the adopted Local Plan 2008.

The Planning Adviser stated that the site was within a residential area of Tranent, designated under local plan policy ENV1. The main policy considerations relevant to the application were design and amenity, both in terms of character and appearance, and in terms of safety and security and the key development plan policies in relation to these matters were Strategic Development Plan policy 1B and Local Plan policy DP2. The application had been refused by the Appointed Officer on the basis that the fence enclosed a relatively open part of the lane to the rear of the property and therefore had a negative impact on its character and amenity and reduced the passive surveillance of the lane. It would also set a precedent for other fences, which would cumulatively have a harmful effect. The application was therefore considered to be contrary to relevant development plan policies.

The Planning Adviser stated that the applicant's request for a review argued that the fence was needed to provide security and privacy to the house, detailing examples of anti-social behaviour that had occurred at the rear of the property and providing photographic evidence. The lane was argued not to create a sense of welcome, safety and security at present, and the fence more clearly distinguished public and private space. A hedge was not believed to be a viable alternative given the time taken to grow one and the potential for damage. The applicant proposed to adjust the height of the fence to a maximum of 1.8m and argued that this would not reduce passive surveillance of the lane and would not have a harmful impact on its openness and sense of security. The applicant also supplied a letter from a neighbour and another from the local community warden in support of her case. There were no consultations carried out on the application by the case officer, nor any representations received.

The Chair asked his fellow Members if they now had sufficient information to proceed to determine this application today and they unanimously agreed to proceed.

Councillor Gillies had noted on the site visit that the garden was located away from the main street and that the existing wire fence was in a poor condition. He did not object to the height of the wooden fence but suggested that it could be painted green to reduce its visual impact. He was not concerned that the granting of this application could create a precedent as there was already a variety of fences in the area. In view of this, he was minded to overturn the original decision of the Appointed Officer to refuse this application.

Councillor McNeil sympathised with the applicant who had erected the fence to protect her privacy and to make her property more secure after being the target of anti-social behaviour. He also referred to photograph 2 of the Applicant's original submission which showed that the wire fence enclosing the garden along the length of the public pathway was a few inches higher than the wooden fence erected by the applicant. He was also in favour of the fence being painted green and indicated that he was willing to grant permission to the retrospective application.

Councillor Day was in support of the views of his colleagues. He noted the history of anti-social behaviour at the property and had observed on the site visit that the garden was not visible from the public road. He did not consider that the suggestion that a hedge could be grown in place of the fence was a practical one. He would therefore vote to overturn the decision to refuse the original application subject to the condition that it was painted green.

Decision

The ELLRB unanimously agreed to overturn the decision of the Appointed Officer to refuse the application, subject to the following condition:

1. The fence hereby approved shall be painted or stained in a dark green colour in accordance with a sample paint or stain to be submitted to and approved in writing by the Planning Authority. Details of the proposed paint or stain shall be submitted to the Planning Authority within 1 month of the date of the Decision Notice. The fence shall be painted or stained in accordance with the approved details within 3 months following the written approval of the Planning Authority.

The Legal Adviser stated that the Decision Notice would be issued within 21 days.

**2. REVIEW AGAINST DECISION (REFUSAL)
PLANNING APPLICATION No: 15/00292/P – PLANNING PERMISSION
FOR REPLACEMENT WINDOWS AT FLAT 1 WAVERLEY SOUTH, EAST
LINKS ROAD, GULLANE**

The Legal Adviser introduced the above application which had been refused by the Appointed Officer. She advised that a site visit had been carried out prior to the meeting and Members had received written papers, including a submission from the Case Officer and review documents from the applicant. After hearing a statement from the Planning Adviser summarising the planning policy issues, Members would decide if they had sufficient information to reach a decision today. If they did not, the matter would be adjourned for further written representations or for a hearing session. Should Members decide they had sufficient information before them, the matter would be discussed and a decision reached on whether to uphold or overturn the decision of the Appointed Officer. It was open to Members to grant the application in its entirety, grant it subject to conditions or to refuse it.

The Chair invited the Planning Adviser to present a summary of the planning policy considerations in this case.

Phil McLean, Planning Adviser, advised that the application site was a ground floor flat in a two storey flatted building and that the application was seeking permission for the replacement of four of the flat's windows. The existing windows that were to be replaced were doubled-glazed timber windows and the proposed replacements would have the same glazing pattern but would be made from PVC.

The Planning Adviser stated that the Planning Act requires decisions on planning applications to be taken in accordance with development plan policy unless material considerations indicated otherwise. The development plan consisted of the approved Strategic Development Plan for Edinburgh and South East Scotland, known as SESplan, and the adopted Local Plan 2008. The Planning Adviser advised that the site was within a residential area of Gullane, designated under local plan policy ENV1, and within the Gullane Conservation Area. The main policy considerations relevant to the application were design and impacts on the Conservation Area. The key policies in relation to these matters were Strategic Development Plan policy 1B and Local Plan policy ENV4. In addition, Local Plan policy DP8 relates specifically to replacement windows. It states that replacement windows in Conservation Areas must preserve or enhance the area's special architectural or historic character. This would normally mean that they should retain the proportions of the window opening, the opening method, colour, construction material of frames, and glazing pattern. Three exceptions are provided for: firstly multiple glazing where there is no visible difference, secondly where a building does not positively contribute to the area's character, and thirdly where the window cannot be seen from a public place. Also relevant to the application, were national policy documents, including Scottish Planning Policy and the Scottish Historic Environment Policy.

The Planning Adviser stated that the application had been refused by the Appointed Officer on the basis that the proposed replacement windows would be harmful to the character and appearance of the Conservation Area due to their PVC frames. The application was therefore considered to be contrary to the relevant development plan policies. The request for a review argues that the replacement windows are required for protection from the elements and for energy efficiency, that the site is some distance from public thoroughfares and the change would therefore not be

noticeable, and that new windows would be more attractive. Some windows in the complex had already been replaced.

No consultations had been carried out on the application by the case officer, nor representations received.

The Chair asked his fellow Members if they had sufficient information to proceed to determine this application today and they unanimously agreed to proceed.

Councillor McNeil, having visited the property and studied the photographs provided in the papers, considered that the appearance of the proposed UPVc windows would not be significantly different to the appearance of the present double glazed timber windows. He had also noticed on the site visit that neighbouring properties had already installed UPVc windows. In addition, as the property was screened by a wall and was not on a public thoroughfare, he did not consider that the proposed UPVc windows would be harmful to the character of the Conservation Area. He was therefore minded to overturn the original decision of the Planning Officer and grant permission for this application.

Councillor Gillies agreed with the views of Councillor McNeil on the restricted views of these windows and the UPVc windows installed in neighbouring homes. He too was therefore minded to overturn the original decision.

Councillor Day concurred with his colleagues. He stated that policy DP8 provides some latitude to allow replacement windows where the design and construction of the windows does not harm the character and appearance of the building or its surroundings. He believed that this applied in this case noting the building was only built in around 2002. He had also found it helpful to see the UPVc window in another part of the building and believed this was not obvious. He noted that the car park located to the front of the building was a private parking area for residents. He was therefore satisfied that the proposed windows would not have a negative impact on the Conservation area and would vote to uphold the appeal.

Decision

The ELLRB agreed unanimously to overturn the original decision of the Appointed Officer and grant planning permission.

The Legal Adviser stated that a Decision Notice would be issued within 21 days.

3. REVIEW AGAINST DECISION (REFUSAL) PLANNING APPLICATION No: 15/00042/P – PLANNING PERMISSION FOR FORMATION OF WINDOW OPENING AT 2 EASTFIELD COURT, MARINE PARADE, NORTH BERWICK

The Legal Adviser introduced the above application which had been refused by the Appointed Officer. She advised that a site visit had been carried out prior to the meeting and Members had received written papers, including a submission from the Case Officer and review documents from the applicant. After hearing a statement from the Planning Adviser summarising the planning policy issues, Members would decide if they had sufficient information to reach a decision today. If they did not, the matter would be adjourned for further written representations or for a hearing session. Should Members decide they had sufficient information before them, the matter would be discussed and a decision reached on whether to uphold or overturn

the decision of the Appointed Officer. It was open to Members to grant the application in its entirety, grant it subject to conditions or to refuse it.

The Chair invited the Planning Adviser to present a summary of the planning policy considerations in this case.

Phil McLean, Planning Adviser, stated that the application site was a first floor flat in a two storey flatted building and that the application was seeking permission for the formation of a window opening on the side elevation with a timber-clad aluminium-framed window. He advised that the Planning Act requires decisions on planning applications to be taken in accordance with development plan policy unless material considerations indicated otherwise. The development plan consists of the approved Strategic Development Plan for Edinburgh and South East Scotland, known as SESplan, and the adopted Local Plan 2008.

The Planning Adviser advised that the site was within a residential area of North Berwick, designated under local plan policy ENV1, and within the North Berwick Conservation Area. The main policy considerations relevant to the application were design and impacts on the Conservation Area. The key policies in relation to these matters were Strategic Development Plan policy 1B and Local Plan policies ENV4 and DP6. Also relevant to the application were national policy documents, including Scottish Planning Policy and the Scottish Historic Environment Policy.

The Planning Adviser stated that the application was refused by the Appointed Officer on the basis that the form of the proposed window would be harmful to the character and appearance of the building and of the Conservation Area and would therefore be contrary to relevant development plan policies. The request for a review argues that the window would not noticeably change the external appearance of the building as it would re-open a previously blocked up opening. Due to fire regulations a traditional sash and case window was impossible but the proposed design would resemble one. The officer report is argued to be incorrect in stating that all the windows in the building are of a timber framed sash and case style as none of the windows of flat 4 are sash and case style and nor are those of the neighbouring building. Overall there was argued to be an eclectic mix of window styles in the area and it was argued that the proposed window would not appear incongruous.

No consultations had been carried out on the application by the case officer and no representations had been received.

The Chair asked his fellow Members if they had sufficient information to proceed to determine this application today and they unanimously agreed to proceed.

Councillor Gillies had observed on the site visit that there was a wide variety of window styles in the area surrounding this property, including examples of PVCu framed windows. He considered that there was little significant difference in the appearance of those windows when compared to traditional timber framed windows and was therefore minded to overturn the original decision of the Planning Officer to refuse the application.

Councillor McNeil noted that the applicant was proposing to open a window which had been closed since the 1970s when the building was converted to a hotel. He welcomed the applicant's proposal to have this window in operation again and hoped that the Council could work with the applicant on an appropriate style of window. For clarification, the Planning Adviser advised that the applicant was proposing an

aluminium frame clad in timber and the issue was the thickness of the timber rather than the material. As Councillor McNeil did not consider that the applicant's proposal would be harmful to the Conservation Area, he was minded to agree with his colleague and vote to overturn the Planning Officer's decision to refuse the application.

Councillor Day referred to Scottish Planning Policy (based on Section 64 of the Planning Listed Buildings and Conservation Areas (Scotland) Act 1997) which states that a planning authority must have regard to the desirability of preserving or enhancing the character or appearance of a conservation area. He believed that this was a subjective matter and, in his view, the proposed window would have a neutral effect on the appearance of the building and would not have a harmful impact on the Conservation Area, noting the range of window styles on Marine Parade. He was therefore minded to support the applicant's appeal against the original decision.

Decision

The ELLRB unanimously agreed to overturn the original decision of the Appointed Officer to refuse this application.

The Legal stated that a Decision Notice would be issued within 21 days.



**MINUTES OF THE MEETING OF THE
LOCAL REVIEW BODY**

**THURSDAY 17 SEPTEMBER 2015
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

2c

Committee Members Present:

Councillor L Broun-Lindsay (Chair)
Councillor D Grant
Councillor K McLeod
Councillor P MacKenzie

Advisers to the Local Review Body:

Mr P McLean, Planning Adviser to the LRB
Mrs M Ferguson, Legal Adviser/Clerk to the LRB

Others Present

Ms E Carnegie, Applicant
Mr Carnegie
Ms A Mort, Chalmers and Co, Agent

Committee Clerk:

Mrs F Stewart

Declarations of Interest

None

Apologies

None

Councillor Broun-Lindsay was elected to Chair today's meeting by Councillors McLeod, MacKenzie and Grant. Duly elected, Councillor Broun-Lindsay welcomed everyone to the meeting.

Morag Ferguson, Legal Adviser, stated that one planning application was being presented today in the form of written submissions and that a site visit had been carried out prior to the meeting today. She also advised that a Planning Adviser, who had had no involvement with the determination of the original application, would provide information on its planning context and background.

**1. REVIEW AGAINST DECISION (REFUSAL)
PLANNING APPLICATION No: 15/00120/P – PLANNING PERMISSION
FOR ALTERATIONS AND CHANGE OF USE OF DANCE SCHOOL (CLASS
11) TO CAFE (CLASS 3) AT 17 DALRYMPLE LOAN, MUSSELBURGH**

The Legal Adviser stated that the ELLRB was meeting today to review the above application which had been refused by the Appointed Officer. Members had been provided with written papers, including a submission from the Case Officer and review documents from the applicant. After hearing a statement from a Planning Adviser summarising the planning policy issues, Members would decide if they had sufficient information to reach a decision today. If they did not, the matter would be adjourned for further written representations or for a hearing session and Members would have to specify what new information was needed to enable them to proceed with the determination of the application. Should Members decide they had sufficient information before them, the matter would be discussed and a decision reached on whether to uphold or overturn the decision of the Appointed Officer. It was open to Members to grant the application in its entirety, grant it subject to conditions or to refuse it.

The Chair invited the Planning Adviser, who had had no involvement in the original decision, to present a summary of the planning policy considerations in this case.

Phil McLean, Planning Adviser, stated that the property was a single storey building, most recently used as a dance studio. The application was seeking permission for a change of use to a class 3 cafe use and for the formation of new windows on the front, the alteration of an existing window to the side, and the installation of a roof vent.

The Planning Adviser stated that the Planning Act required decisions on planning applications to be taken in accordance with development plan policy unless material considerations indicated otherwise. The Development Plan consisted of the approved Strategic Development Plan for Edinburgh and South East Scotland, known as SESplan, and the adopted Local Plan 2008. The application site was within a residential area of Musselburgh as designated in the Local Plan, and the main policy considerations relevant to the application were design, amenity, and road safety. The site was also within the designated Battle of Pinkie site. The key development plan policies in relation to these matters are Strategic Development Plan policy 1B and Local Plan policies ENV1, DP6, DP22, and T2.

The Planning Adviser stated that the application had been refused by the appointed officer on the basis that the proposed cafe would not have a sufficient level of off-street parking for customers or off-street provision for deliveries and therefore would

be a road safety hazard, contrary to Local Plan policies. The case officer had considered the proposals to be acceptable in other respects, in terms of the principle of the proposed change of use, design, privacy and amenity, subject to conditions.

The Planning Adviser advised that the applicant's request for a review had argued that the site was adjacent to the town centre and it was unfair to require on-site parking provision when similar businesses in the town centre did not have this. The applicant was also willing to accept a condition preventing the sale of takeaway food and controlling the timing of deliveries. In terms of consultations, the Council's Roads Services recommended refusal of the application on the grounds of road safety due to lack of parking for customers and deliveries and the Environmental Protection Manager recommended conditions to control odour and noise. Historic Scotland raised no objections.

The Planning Adviser advised that two representations had been received; one advised that the owners of the Caprice Restaurant would not be entering into an agreement with the applicant regarding car parking and the other raised concerns at the introduction of new windows on south or west elevations. The Planning Adviser pointed out that such windows were not in fact proposed but errors in the labelling of drawings might have given the impression that they were. One further representation had been received in response to the Notice of Review from the Council's Environmental Health Officer recommending that the bins were located in a secure store to prevent wilful fire raising.

The Chair invited questions from his colleagues and Councillor Grant enquired about traffic restrictions currently in place at the application site and the Planning Adviser replied that the consultation response from Road Services confirmed that there were no loading restrictions. Councillor McLeod also enquired if the proposed business would sell take-away food and the Planning Adviser responded that Members could impose a condition in respect of take-away food if they considered it appropriate. The Chair asked his fellow Members if they now had sufficient information to proceed to determine this application today and they unanimously agreed to proceed.

The Chair, noting the reason for refusal, stated that the key issue in respect of this application was off street parking provision.

Councillor MacKenzie stated that the property was less than 100 yards from Musselburgh High Street which offered various parking opportunities. He therefore did not consider that the reason for refusal was a valid one and would vote to uphold the appeal.

Councillor Grant was of the same view as his colleague and agreed with the applicant that shoppers to the High Street would be easily able to access the proposed cafe on foot. He too was therefore minded to uphold the appeal.

Councillor McLeod was of the same opinion as his colleagues and he too expected that the majority of customers would be likely to arrive on foot in view of its close proximity to the main shopping thoroughfare.

The Chair stated that the decision of the Case Officer to refuse the application was possibly a finely balanced one, given the location of the site. He agreed with the views of the other Members and advised that he would also vote to uphold the appeal, subject to appropriate conditions.

Decision

The ELLRB unanimously agreed to overturn the decision of the Appointed Officer to refuse the application, subject to the following conditions:

Conditions:

- 1 Any plant and equipment associated with the use and operation of the cafe hereby approved shall be designed and constructed so that noise emanating there from shall not exceed NR25 at any Octave Band Frequency when measured in any neighbouring residential property, assuming windows open at least 50mm.

Reason:

To ensure the use of the premises as a cafe does not harm the amenity of nearby residential properties.

- 2 Details of the extraction system to be used, including efflux velocities of stack emissions and any odour control measures to be implemented in the form of primary, secondary and tertiary treatments, shall be submitted to and approved in writing by the Planning Authority prior to the operation of the premises as a cafe.

Reason:

To ensure the use of the premises as a cafe does not harm the amenity of nearby residential properties.

- 3 Any extract equipment associated with the use and operation of the cafe hereby approved shall be maintained to ensure its continued satisfactory operation and any cooking processes reliant on such extract systems shall cease to operate if, at any time, the extract equipment ceases to function to the satisfaction of the Planning Authority.

Reason:

To ensure the use of the premises as a cafe does not harm the amenity of nearby residential properties.

- 4 The opening hours of the cafe hereby approved shall be restricted to 0900 to 1800 hours on Mondays to Sundays inclusive.

Reason:

To restrict the hours of opening to that which is applied for in the interests of safeguarding the amenity of neighbouring residential properties.

- 5 The external face of the timber frames of the windows hereby approved shall be painted, stained or treated with a timber preservative of a colour to be approved in writing by the Planning Authority prior to its use in the development, and thereafter the colour of paint, stain or timber preservative used for the external surface of the timber frames of the windows shall accord with the details so approved.

Reason:

In the interests of safeguarding the character and appearance of the area.

- 6 Prior to the commencement of development on the site, a Construction Traffic Method Statement designed to minimise the impact of the movements and activity of construction traffic in the vicinity of the application site shall be submitted to and approved by the Planning Authority and shall include any recommended mitigation measures for the control of construction traffic including the hours of construction work, which shall, as may be applicable, be implemented prior to the commencement of development and during the period of development works being carried out on the application site.

Reason:

To minimise the impact of construction traffic on the local road network.

- 7 Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) (Scotland) Order 1992 as amended (or any order revoking and re-enacting that Order with or without modification), no change of use to class 1 shop use (as defined in the Town and Country Planning (Use Classes) (Scotland) Order 1997, or any order revoking and re-enacting that Order with or without modification) shall take place without planning permission being granted on an application made to the planning authority.

Reason:

To allow the planning authority to control future changes of use that would otherwise be permitted development, in the interests of road safety.

8. Notwithstanding the labelling of the elevations on drawing number 03D, no window shall be formed on the south elevation of the building without planning permission being granted on an application made to the planning authority.

Reason:

For the avoidance of doubt, due to the incorrect labelling of the north elevation on drawing 03D, and to avoid impact on the privacy and amenity of neighbouring properties.

9. No development shall commence until such time as full details of the proposed new entrance gate and fixed fence panel as indicated on drawing number 03D have been submitted to and approved in writing by the planning authority. Such details shall include details of proposed materials and colours of paint, stain or timber preserve to be used. The development shall thereafter be carried out in accordance with the approved details unless otherwise agreed in writing with the planning authority.

Reason: In the interests of safeguarding the character and appearance of the area.

The Legal Adviser stated that the Decision Notice would be issued within 21 days.



cutting through complexity

3

East Lothian Council

Annual audit report to the Members of East Lothian Council and the
Controller of Audit

Audit: year ended 31 March 2015

28 September 2015

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About this report

This report has been prepared in accordance with the responsibilities set out in Audit Scotland's *Code of Audit Practice* ("the Code").

This report is for the benefit of East Lothian Council ("the Council") and is made available to Audit Scotland and the Controller of Audit (together "the beneficiaries"), and has been released to the beneficiaries on the basis that wider disclosure is permitted for information purposes, but that we have not taken account of the wider requirements or circumstances of anyone other than the beneficiaries.

Nothing in this report constitutes an opinion on a valuation or legal advice.

We have not verified the reliability or accuracy of any information obtained in the course of our work, other than in the circumstances set out in the executive summary: scope and responsibilities.

This report is not suitable to be relied on by any party wishing to acquire rights against KPMG LLP (other than the beneficiaries) for any purpose or in any context. Any party other than the beneficiaries that obtains access to this report or a copy and chooses to rely on this report (or any part of it) does so at its own risk. To the fullest extent permitted by law, KPMG LLP does not assume any responsibility and will not accept any liability in respect of this report to any party other than the beneficiaries.

Our audit work is undertaken in accordance with Audit Scotland's *Code of Audit Practice* ("the Code"). This specifies a number of objectives for the audit.

In accordance with ISA (UK and Ireland) 260: *Communication with those charged with governance*, this report summarises our work in relation to the annual accounts for the year ended 31 March 2015.

We wish to record our appreciation of the continued co-operation and assistance extended to us during the course of our work.

Area	Summary observations	Analysis
Strategic overview		
Key issues and update	The challenges faced by the Council to deliver services with less resources over the past five years have required careful management and monitoring. Public sector reform continues to gather pace against a backdrop of continuing financial pressures. The introduction of integrated health and social care partnerships, coupled with welfare reforms will require effective leadership and governance. We consider that the Council has so far progressed well in managing these changes.	Page 6
Financial position	The Council reported a statutory surplus of £9.3 million in 2014-15 (2013-14: £3.6 million deficit). This gave rise to an increase in general fund reserves of £7.3 million and the housing revenue and capital fund reserves of £2.0 million. Of this increase, approximately £3.5 million related to non-recurring items.	Page 8
Financial statements and accounting		
Audit conclusions	<p>We have issued an unqualified audit opinion on the 2014-15 annual accounts, following their approval by the audit and governance committee in September 2015.</p> <p>The annual accounts, statement of responsibilities, governance statement and remuneration report were received by the start of audit fieldwork and were supported by high quality working papers. We noted continued improvement in quality of supporting documentation and an accelerated timetable for preparation of the annual accounts.</p>	Page 15
Significant risks and audit focus areas	<p>The areas highlighted below are the specific audit focus areas identified within our audit strategy document:</p> <ul style="list-style-type: none"> ■ fraud risk from management override of controls; ■ income recognition fraud risk; ■ the Council's financial position; ■ accounting for provisions; ■ the valuation of non-operational assets and preparation for the requirements of the 2016-17 Code; and ■ retirement benefit obligations. <p>Audit work was completed to satisfy the requirements of ISA 330 <i>The auditor's responses to assessed risks</i>, including tests of key financial controls. In respect of each matter, we are content with management's judgements and accounting treatment.</p>	Page 16

Area	Summary observations	Analysis
Financial statements and accounting (continued)		
Going concern	The annual accounts have been prepared on a going concern basis, as the revenue support grant has been approved for 2015-16 and forms the basis of a budget which is considered to be manageable within existing facilities. The Council made a surplus in 2014-15, adding to reserves, and had net assets of £230.6 million at the balance sheet date.	Page 21
Accounting policies	There have been no changes to accounting policies applied by the Council in 2014-15. No newly effective accounting standards are expected to have a material impact on the 2015-16 annual accounts. The requirements of the <i>Code of practice on transport infrastructure assets</i> ("the transport code"), will apply from 2016-17.	Page 20
Governance and narrative reporting		
Governance	Over-arching and supporting corporate governance arrangements remain primarily unchanged and provide a sound framework for organisational decision-making.	Page 26
Internal controls	Testing of the design and operation of financial controls over significant risk points was undertaken as part of our audit. Our work concluded that controls relating to financial systems and procedures are designed appropriately and operating effectively. Since the finalisation of our interim report there have been no changes to the operation of the controls subject to review.	Page 27
Performance Management		
Performance management	Our work has identified that the Council's performance management arrangements are generally robust and reporting on statutory performance indicators ("SPIs") is strong compared to other local authorities. Internal audit reviews, conducted as part of the internal audit plan, provide assurance over performance reporting and Best Value considerations.	Page 33

Purpose of this report

The Accounts Commission has appointed KPMG LLP as auditor of East Lothian Council under part VII of the Local Government (Scotland) Act 1973 (“the Act”). The period of appointment is 2011-12 to 2015-16, inclusive.

Our annual audit report is designed to summarise our opinion and conclusions on significant issues arising from our audit. It is addressed to both those charged with governance at East Lothian Council and the Controller of Audit. The scope and nature of our audit were set out in our audit strategy document which was presented to the audit and governance committee at the outset of our audit.

The Code sets out the wider dimensions of public sector audit which involves not only the audit of the financial statements but also consideration of areas such as financial performance and corporate governance.

Chief finance officer responsibilities

Audit Scotland’s *Code of Audit Practice* (“the Code”) sets out East Lothian Council’s responsibilities in respect of:

- preparation of financial statements that show a true and fair view;
- systems of internal control;
- prevention and detection of fraud and irregularities;
- standards of conduct and arrangements for the prevention and detection of bribery and corruption;
- financial position; and
- Best Value.

Auditor responsibilities

This report reflects our overall responsibility to carry out an audit in accordance with our statutory responsibilities under the Act and in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Code.

Scope

An audit of the financial statements is not designed to identify all matters that may be relevant to those charged with governance.

Weaknesses or risks identified are only those which have come to our attention during our normal audit work in accordance with the Code, and may not be all that exist.

Communication by auditors of matters arising from the audit of the financial statements or of risks or weaknesses does not absolve management from its responsibility to address the issues raised and to maintain an adequate system of control.

Under the requirements of International Standard on Auditing (UK and Ireland) (‘ISA’) 260 *Communication with those charged with governance*, we are required to communicate audit matters arising from the audit of financial statements to those charged with governance of an entity.

This annual audit report to members and our presentation to the audit and governance committee, together with previous reports to the audit and governance committee throughout the year, discharges the requirements of ISA 260.

Strategic overview

Our perspective on key business issues and financial position

Public sector reform and financial pressures have caused challenges for local authorities in delivering services with reduced resources.

Sector overview

Local authorities have faced challenges over the past few years as a result of public sector reform and the UK's continued financial pressures. Councils are faced with real term funding decreases, combined with increasing demand for services. The integration of health and social care and upcoming boundary changes present additional challenges. Councils are aware of the need to deliver services efficiently and effectively, with fewer resources.

These challenges are highlighted in Audit Scotland's report "An overview of local government in Scotland 2015". In line with best practice, management prepared an analysis of this report, which outlined the Council's position against each recommendation.

A voluntary early release scheme ("VERS") was implemented by the Council in 2013-14 to create annual savings of approximately £3 million. The Audit Scotland report highlights that savings through staff reductions are not necessarily sustainable long term and it is important that Councils have workforce plans to manage reduced staff numbers. The Council updated its workforce development strategy and action plan in 2014. Councils are recommended to consider options to increase income, although this is challenging with continued council tax freezes and non-domestic rate levels set by the Scottish Government. Management is therefore maintaining a focus on cost containment and avoidance.

Members receive quarterly key performance indicator updates through the policy and performance review committee. Quarterly financial updates are reported to Cabinet, showing underspends or overspends to budget, financial risk ratings and progress with efficiency savings. This regular analysis undertaken by management should support achievement of strategic priorities in a changing environment.

We set out our views on the Council's progress with key public sector reforms over the following pages and provide commentary on its financial position from page eight.

Local area network / shared risk assessment

Local area networks ("LAN"), comprising representatives from scrutiny bodies perform an annual shared risk assessment and identify scrutiny activity. The 2014-15 local scrutiny plan (formally the assurance and improvement plan), noted continued development and areas of strong performance. The plan included no areas assessed as 'scrutiny required', one area as 'further information required' and the remaining 18 as 'no scrutiny required'.

2015-16 saw a change in the process of shared risk assessments ("SRA") and how the local area networks ("LANs") work with local authorities. The 2015-16 Local Scrutiny plan highlights the Council's improvement activities, such as *How Good is Our Council?* and self evaluation in respect of criminal justice services.

The SRA process is intended to support local authorities in performance improvement, and the 2015-16 SRA identified areas of scrutiny as:

- achievement of savings targets and financial sustainability;
- progress with implementing the improvement agenda arising from the 2014 Joint Inspections of Services for Children;
- progress with health and social care integration;
- monitoring the impact of the Education Scotland's strategic improvement planning on learners; and
- ongoing monitoring of progress of the improvement actions in relation to meeting the Scottish Housing Quality Standards and managing rent arrears.

KPMG's scrutiny activity, as part of the external audit is:

"focus on the Council's management of finances, budgeting, monitoring, implementation of the efficiency programme and reporting to those charged with governance."

Council plan

The Council plan 2012-17 was refreshed in October 2014 and incorporates the objectives for the Council and related challenges. The seven key challenges are: financial constraints; the impact of the recession; growing population; welfare changes; affordable housing; sustainability and environment; and public sector reform. We provide more detail in respect of some of these challenges below.

Welfare changes

As a result of the Welfare Reform Act 2012, a number of significant changes were implemented as at 1 April 2013, changing how councils deliver benefit services. Further reform will see the introduction of 'Universal Credits'; the integrated working age benefit which will replace existing benefits, including housing benefit. Universal Credits will be administered by the Department of Work and Pensions ('DWP'). From April 2015, Universal Credit was started to be rolled out across East Lothian, starting with new claimants.

In common with other local authorities in Scotland, the Council froze council tax for 2015-16 as part of the national grant settlement. The Scottish Government's council tax reduction scheme came into force from 1 April 2013. Funding for the scheme remains static from 2014-15 onwards, however there is greater financial risk due to the an increase in the number of properties in the Council boundaries as the funding is a fixed sum instead of being demand led.

The Council has a welfare reform task group, which is responsible for considering the service implications of welfare reform and producing action plans to manage these implications.

Financial constraints and public sector reform

The Council plan recognises the inherent challenges arising from population growth, an ageing demographic, reductions in funding, upward pressure on staff costs and new legislative requirements. To

ensure the Council is well placed to manage the changing service requirements and reducing funding, a number of change projects have been implemented. Each change project is listed within the Rivo software and assigned to a department and responsible officer.

Quarterly progress reports are produced with RAG ratings against each projects likely achievement of the expected completion date. An overall RAG rating for progress with efficiency savings is reported in the quarterly finance reports to Cabinet. In the quarter three report, Audit Wellbeing and Children's Wellbeing had 'red' ratings, with efficiency savings considered unlikely to be met by the year end. Internal audit is facilitating implementation and monitoring of reports.

During 2013-14 the Council approved the departure of 96 staff through a voluntary early release scheme ("VERS"). Management estimates related annual savings of around £3 million. Further service reviews are planned for 2015-16 onwards through the ongoing efficient workforce management program.

Growing population and affordable housing

The plan highlights the significance in tackling inequalities and the challenges faced with the growing population. The Council recognises the challenge of delayed discharge targets; the integration of health and social care and the integrated joint board's remit, as discussed on page 30, provides the opportunity for renewed focus and monitoring of delayed discharges.

A changing population puts additional demand on infrastructure within the Council's boundaries. A key matter for the Council is a lack of affordable housing; in 2014-15, the Council invested £9 million in new affordable homes projects and £1.9 million in an open market acquisition program as part of a longer term housing program.

To improve inequalities in the area, the Council undertakes ward profiling to investigate inequality within the Council boundaries and identify improvement actions through the East Lothian Partnership.

The Council recorded a surplus on the provision of services of £6.3 million in 2014-15. This resulted in a transfer to reserves of £9.3 million, of which £7.3 million related to the general fund.

Financial position

The 2014-15 surplus of £6.3 million (before adjustments for pensions and asset revaluations) compares to the 2013-14 deficit of £6.3 million, and was the sixth highest surplus of the 32 local authorities in Scotland.

A total of £9.3 million was transferred to reserves in 2014-15, compared to a transfer from reserves of £3.6 million in 2013-14. Of the transfer, £7.3 million relates to general fund reserves and £2.0 million to HRA. The Council had budgeted for a transfer to general fund reserves of £0.2 million. The outturn reflects both effective management of budgets as well as some non-recurring items; a summary of key movements between the original budgeted transfer and the actual outturn is presented on the next page.

The composition of the Council's reserves is shown below:

Reserve	31 March 2015	31 March 2014	Variance
General fund	16,653	9,187	7,466
Capital receipts reserve	-	-	-
Insurance fund	1,395	1,520	(125)
Housing revenue account	4,041	2,056	1,985
Housing capital fund	2,589	2,589	-
Total usable reserves	24,678	15,352	9,326
Unusable reserves	205,913	236,873	(30,960)
Total reserves	230,591	252,225	(21,634)

Source: KPMG analysis of East Lothian Council's annual accounts 2014-15.

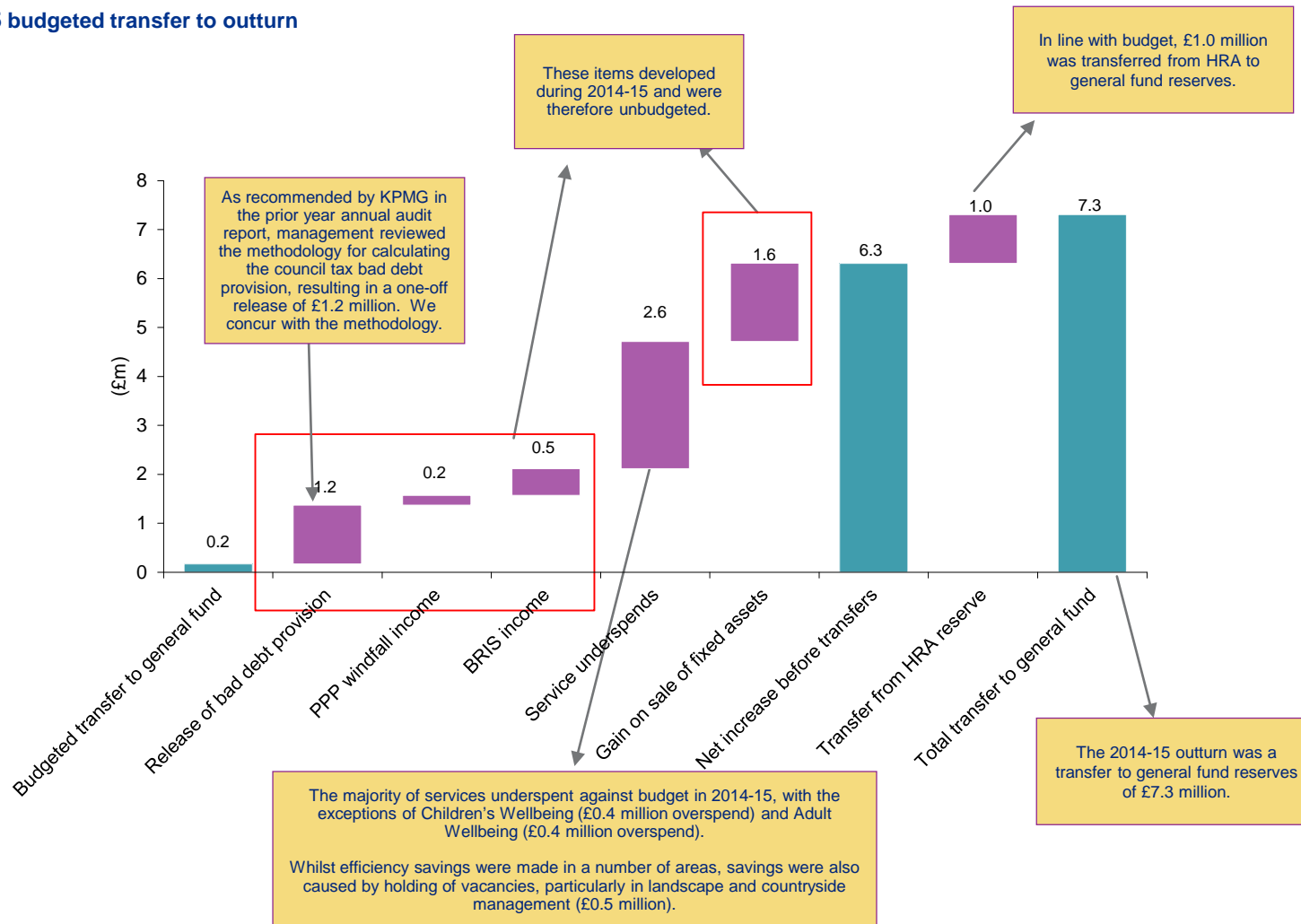
Comprehensive income and expenditure statement			
	2014-15 £'000	2013-14 £'000	Variance £'000
Cost of services	77,820	75,977	1,843
Taxation and non specific grant income	235,154	224,852	10,302
Gains on disposal of non current assets	1,425	995	430
Interest receivable	462	663	(201)
Total income	314,861	302,487	12,374
Cost of services	(287,206)	(288,003)	797
Interest payable	(15,819)	(15,806)	(13)
Interest expense on pension defined benefit obligations	(5,564)	(4,993)	(571)
Total expenditure	(308,589)	(308,802)	213
Surplus / (deficit) on the provision of services	6,272	(6,315)	12,587
Surplus on revaluation of non current assets	9,009	5,580	3,429
Surplus or (deficit) on revaluation of financial instruments	(610)	856	(1,466)
Actuarial losses on pension assets and liabilities	(36,305)	(12,720)	(23,585)
Total comprehensive income and expenditure	(21,634)	(12,599)	(9,035)

Source: KPMG analysis of East Lothian Council's annual accounts 2014-15.

The budgeted outturn was for a transfer to general fund reserves of £0.2 million. The Council achieved a transfer of £7.3 million in 2014-15.

We provide a summary of the movements from original budget to outturn position in the graph.

2014-15 budgeted transfer to outturn



The Council had useable reserves of £24.7 million.
The Council performed ahead of budget in 2014-15, leading to an increase in general fund reserves of £7.3 million.

Use of reserves

As at 31 March 2015, the Council had useable reserves of £24.7 million. The final transfer to the general fund reserve of £7.3 million represents an increase of 69% on the opening balance.

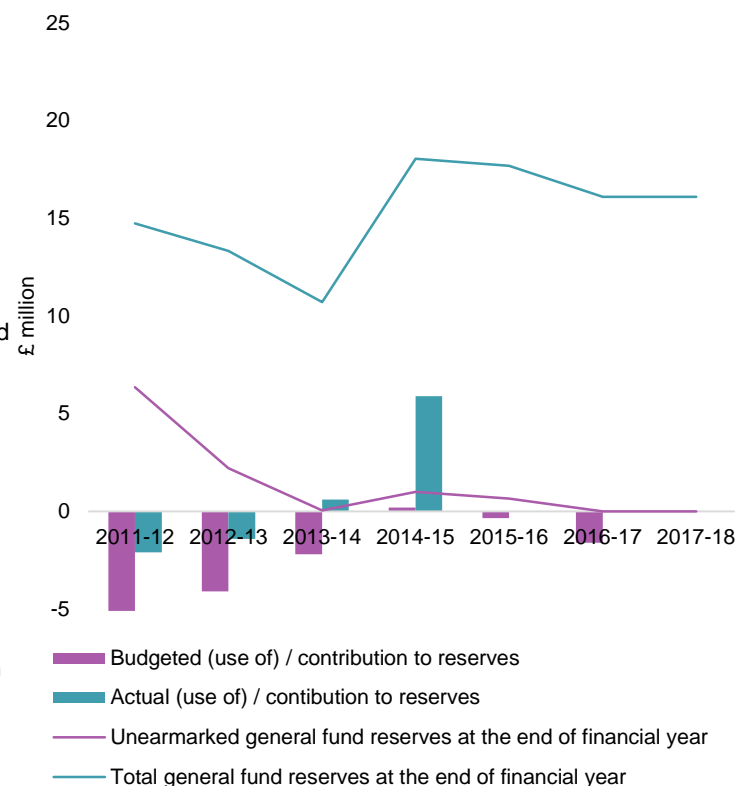
The Council's financial strategy sets out that any unplanned increase in reserves should be transferred to either the general services capital fund or cost reduction fund. In 2014-15 the Council agreed to transfer any surplus reserves to the general services capital fund.

The cost reduction fund is primarily used for employee severance and restructuring costs as well as to support other cost savings initiatives as the Council manages capacity in line with less financial resources. The capital fund will be used to directly fund capital expenditure or defray capital charges. Prior to any transfer, the Council had £3.1 million in the cost reduction fund and £1.6 million in the capital fund.

While as at 31 March 2015 the Council performed ahead of budget and management confirmed that the Council remains on track with its financial strategy, continued monitoring will be required to ensure savings are achieved. Since 2011-12 the Council has achieved an underspend against budget. Although customer satisfaction rates remain high, there is an inherent risk that this could impact on service delivery. Management monitors the budget throughout the year, although as identified in previous years, the majority of underspend is presented in the final quarter.

In line with changes in legislation, management presented the unaudited annual accounts to the Audit and Governance Committee in June 2015. This facilitated an early discussion by members of the financial position reflected within the unaudited annual accounts.

The chart below illustrates the use of general reserves over a seven year period, in accordance with the approved council budget for 2015-16 to 2017-18, against reserves available. This excludes transfers to and from HRA and earmarked reserves.



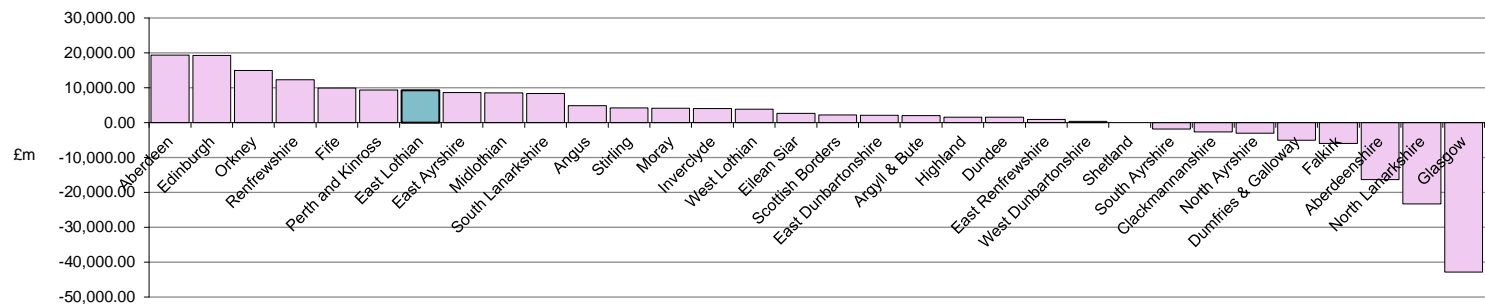
Source: East Lothian Council approved budgets and annual accounts from 2011-12.

Audit Scotland performs benchmarking on various financial indicators across the 32 local authorities, drawn from the unaudited financial statements.

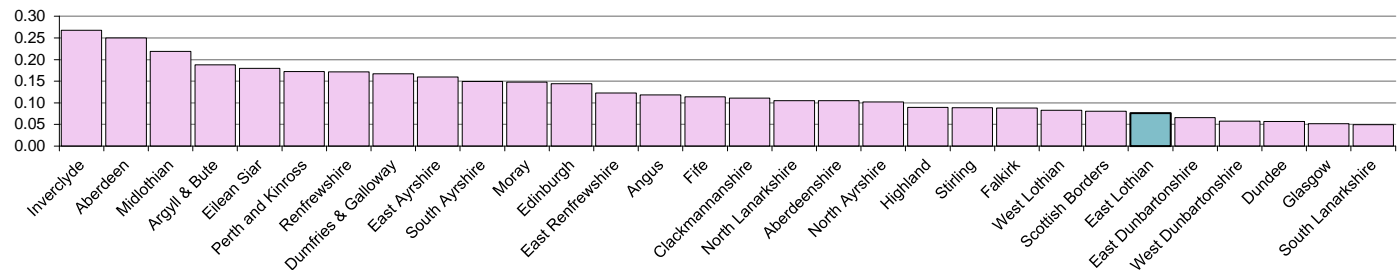
In benchmarking undertaken by Audit Scotland from analysis of the 2014-15 unaudited financial statements of Scotland's 32 local authorities, East Lothian had the seventh highest movement in total useable reserves. As a proportion of reserves brought forward, the increase in revenue reserves was the second highest increase of all local authorities. The increase in revenue reserves is also second highest as a proportion of revenue. However, revenue reserves carried forward are sixth lowest as a proportion of revenue.

The relatively low reserves position reflects the Council's desire to maintain financial sustainability and not reliance on brought forward funds. Even without the elements of non-recurring income in 2014-15, the Council achieved a surplus for the year and manages the total effectively. There remain pressures on future budgets and we concur with the decision to seek to manage to within existing funds.

2014-15 increase in usable reserves – 32 Scottish local authorities



2014-15 carried forward usable revenue reserves as a proportion of revenue – 32 Scottish local authorities



Source: Audit Scotland analysis

Please note that it was necessary to omit Orkney and Shetland as their levels of reserves are much higher than other councils and it would distort the scale used.

The Council's total capital spend in 2014-15 was £39.2 million, £4.5 million below budget. Capital grants provided the primary source of capital funding in 2014-15. A large proportion of capital expenditure continues to be funded through borrowing, although this decreased in 2014-15.

Borrowing

The Council's capital expenditure is largely funded through borrowing, in line with the strategy. Clearly the capital expenditure programme gives rise to greater borrowings, and management incorporates the debt service costs into budgets. In Audit Scotland's 2014-15 benchmarking, the Council continues to have the highest level of net external debt when taken as a proportion of revenue expenditure (159%; 2013-14:166%). The Council has the third highest per head of population at £3,875 per head (2013-14: second, £3,930). We recognise that this benchmarking does not differentiate between demographic differences or the split between general services and housing related borrowing. The Council's ratios have improved during 2014-15.

The Council has the ninth (2013-14: eighth) highest level of debt as a proportion of fixed assets, with a ratio of 0.5 (2013-14: 0.6). Although long term borrowing increased during 2014-15, short term borrowing at the year end was £33.8 million less than 2013-14. This is a result of the Council's treasury management strategy, to take on longer term debt in order to reduce fluctuation in interest costs.

To reduce the requirement for borrowing, a capital reserve has been earmarked within general fund reserves to enable capital expenditure to be funded directly from revenue and defray capital charges. Debt service costs require continued focus and we are content with the Council's approach to Treasury management and covering of interest costs within the budget.

Capital program

Total capital expenditure in 2014-15 was £39.2 million, below the original budget of £43.7 million. £18.4 million related to general services capital spend and £20.8 million to HRA. This represents a 16% decrease from the 2013-14 spend of £45.6 million.

£2.4 million of the capital underspend relates to slippage of projects,

which will be carried forward into the 2015-16 plan. A refreshed capital plan for 2015-16 will be presented in the quarterly finance updates.

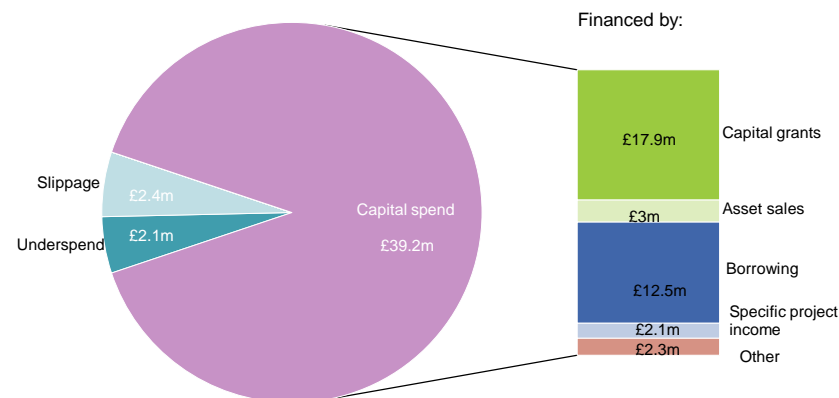
The remaining £2.1 million relates to realised underspends on projects. £1.4 million relates to HRA; below budget on both mortgage to rent properties and modernisation of £0.5 million. The general services underspend relates largely to property renewals (£0.3 million) and saving in fees (£0.31 million).

Major capital expenditure for HRA and general services relates to:

- £9 million on new affordable homes projects;
- £9.7 million on modernisation and upgrades;
- £5.4 million on road improvements; and
- £2.1 million on the new Crookston Residential Home.

The majority of capital expenditure (£17.9 million) has been funded by capital grants applied in year. Capital expenditure compared to budget and the sources of capital finance are shown below.

Actual spend and capital budget



Source: KPMG analysis of East Lothian Council's annual accounts and year end report 2014-15.

The 2015-16 budget incorporates a transfer from reserves of £0.35 million.

No usage of reserves is planned for 2017-18.

Financial plans 2015-16

The three year budget for 2015-16 to 2017-18 was approved by Council in February 2015. This used the 2014-15 budget as a base and reflected changes for known items of income and expenditure for future years. The 2015-16 budget incorporates a transfer from general fund reserves of £0.35 million and a transfer from HRA reserves of £1 million. There is no budgeted use of general fund reserves in 2017-18.

The budget has been set on the basis of the approved Council tax freeze for 2015-16. The Scottish Government has provided grant figures for 2015-16 only, with an increase of £2.3 million from 2014-15. The budgets have therefore been based on the agreed level of revenue support grant for 2015-16, assuming no increase in 2016-17 and 2017-18. This would represent a reduction in funding in real terms and presents a challenging position for the Council with increasing demand for services. Continuing to prepare a three year budget is considered good practice, with longer term budgets also useful in order to support long term decisions.

Increases in costs across departments include assumed pay increases and an increase in pension contribution rates for services, however this is offset by a reduction in the pension deficit lump sum payment. The following additional investment is also planned in 2015-16:

- £0.75 million to support increasing pressures on adult wellbeing;
- £0.2 million additional support for children's wellbeing;
- £0.35 million for pre-school education and childcare; and
- £0.5 million for further roll out of the free school meals program.

As well as additional grant funding, the Council has planned for efficiency savings in 2015-16. The VERS scheme implemented in 2013-14 contributed to staff costs savings of approximately £3 million annually. Further savings are planned through efficient workforce management (£0.6 million), devolved schools management reviews (£0.2 million) and BuySmart reviews (£0.3 million).

Budgeted income and expenditure for 2014-15 to 2017-18				
	2014-15 budget £'000	2015-16 budget £'000	2016-17 budget £'000	2017-18 budget £'000
Department				
Resources and people services	104,112	106,963	109,319	109,022
Health and social care partnership	44,395	45,838	45,731	45,456
Partnerships and community services	46,076	47,261	46,627	45,863
Net expenditure	194,583	200,062	201,677	200,341
Corporate income	(219,133)	(222,148)	(223,064)	(223,834)
Corporate commitments	24,380	22,436	22,987	23,493
Transfer to / (from) reserves	170	(350)	(1,600)	-
(Surplus) / deficit	-	-	-	-

Source: East Lothian Council draft budget 2015-16 to 2017-18

Financial statements and accounting

Our perspective on the preparation of the
annual accounts and key accounting
judgements made by management

We have issued an unqualified audit opinion. The annual accounts, including the governance statement, were made available on a timely basis and were accompanied by high quality working papers.

Audit conclusions

Following approval of the annual accounts by the audit and governance committee we have issued an unqualified opinion on the truth and fairness of the state of the Council's affairs as at 31 March 2015, and of the Council's surplus for the year then ended. There are no matters identified on which we are required to report by exception. Targets for statutory trading operations were met in 2014-15.

In gathering the evidence for our opinion we have:

- performed controls testing and substantive procedures to ensure that key risks to the annual accounts have been covered;
- communicated with internal audit and reviewed its reports as issued to the audit and governance committee to ensure all key risk areas which may be viewed to have an impact on the annual accounts have been considered;
- reviewed estimates and accounting judgements made by management and considered these for appropriateness;
- considered the potential effect of fraud on the annual accounts through discussions with senior management and internal audit to gain a better understanding of the work performed in relation to prevention and detection of fraud; and
- attended audit and governance committees to communicate our findings to those charged with governance, and to update our understanding of the key governance processes.

Annual accounts preparation

- High quality working papers and draft accounts were provided at the start of the audit fieldwork on 22 June 2015, including a statement of responsibilities, remuneration report and governance statement. A draft management commentary was provided on 5 August 2015. We noted further development in the quality of supporting documentation, and an accelerated accounts timeline as a result of the Local Authority Accounts (Scotland) Regulations 2014.
- In advance of our audit fieldwork, we issued a 'prepared by client' request setting out a list of required analyses and supporting documentation. Reflective of the long standing working relationship with the Council the standard of documentation was very good and management quickly responded to queries.
- Throughout the course of the year we had regular discussion with the Council's finance team to ensure that disclosure within the annual accounts was consistent with the requirements of the Code. We provided feedback to management on the content of the annual accounts, management commentary, governance statement and remuneration report and we are pleased to report that these were prepared appropriately.
- There are no significant matters in respect of (i) audit differences; (ii) auditor independence and non-audit fees; and (iii) management representation letter content, as reported in appendix one.
- We consider that management has maintained a robust control environment throughout 2014-15.

The significant areas of risk identified in our audit strategy were in respect of:

- management override of controls fraud risk;
- the Council's financial position; and
- fraudulent income recognition.

and other focus areas of:

- accounting for provisions;
- valuation of non-operational assets and preparation for the 2015-16 Code; and
- retirement benefits.

We summarise below the risks of material misstatement as reported within the audit strategy. We set out the key audit procedures to address those risks and our findings from those procedures, in order that the audit and governance committee may better understand the process by which we arrived at our audit opinion.

We have no changes to the risk or our approach to addressing the assumed ISA risks of fraud in management override of controls and risks of fraud in revenue recognition. We do not have findings to bring to your attention in relation to these matters. No control overrides were identified.

Significant risk	Our response	Audit findings
<p>Financial position</p> <p>The Council planned to utilise most usable un-earmarked general reserves by 31 March 2016. In 2016-17 the Council is budgeting a break-even position. This gives rise to challenge and inherent risk for the Council as there would be no un-earmarked general reserves available if a break-even position was not achieved.</p> <p>In 2014-15 the Council recorded a statutory surplus of £9.3 million (2013-14: £3.6 million deficit), with £5.7 million higher than budgeted transfer to the general fund.</p>	<p>We have updated our understanding of the Council's financial position and year end outturn position through review of quarterly reports and other management information. We have commented on this on pages 8 to 13.</p> <p>We performed controls testing over the budgeting process including the monitoring of budgets throughout the year.</p> <p>We performed substantive procedures, including substantive analytical procedures, over income and expenditure comparing the final position to budget and investigating significant variances.</p>	<p>We found that management is adequately monitoring the financial position through regular internal reporting. This is communicated to members on a regular basis.</p> <p>Management has applied the going concern assumption in preparing the annual accounts. We have considered this assumption on page 21 and concluded that this is appropriate.</p>

Focus area	Our response	Audit findings
<p>Accounting for provisions (landfill sites, holiday pay and bad debt)</p> <ul style="list-style-type: none"> Bad debt provisions are calculated separately for each debtor category. The council tax, housing rents and housing benefit provisions are calculated on a historical methodology meaning they may not accurately reflect collection rates. In 2013-14, we considered the council tax bad debt provision to be prudent, and recommended that management reviewed the methodology. Whilst the Council does not operate landfill sites, coal mines or other sites which carry significant obligations for rectification, there is one Council-owned former landfill site, for which management is monitoring emissions. We reported in our audit strategy that further analysis was required by management to identify potential exposure to decommissioning obligations in respect of this site, and ensure appropriate monitoring procedures are in place. Following a European Court of Justice ruling in May 2014, employers are required to pay holiday pay to staff at a rate commensurate with any commission or overtime that they regularly earn. Following legal advice, management has implemented this process for holiday pay going forward. Management considered whether there was a provision or contingent liability that required disclosure as at 31 March 2015. 	<p>Under IAS 37 a provision should be recognised when:</p> <ul style="list-style-type: none"> an entity has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. <p>We recalculated the bad debt provision, and considered this in terms of debt collection rates and other local authorities. We considered the appropriateness of the change in methodology.</p> <p>We considered guidance on asset decommissioning obligations in respect of assets in the Council's boundaries and reviewed management's assessments of these assets. We reviewed the fixed asset register to verify that there were no relevant assets the Council had not considered.</p> <p>We monitored legislative changes on holiday pay and considered the Council's position in relation to the above criteria.</p> <p>We challenged management's year end judgements and assessed the provision values. We met with Council employees outside of the finance function to corroborate management's assertions. We also discussed other risk areas in respect of provisions, such as equal pay, to verify no further provisions are required.</p>	<p>We found that:</p> <ul style="list-style-type: none"> management has reviewed the calculation for the £7.4 million council tax bad debt provision, and revised this to be based on collection rates. We consider this to be a more accurate reflection of the bad debt in relation to council tax and we found no errors in our recalculation; management has considered the obligations in respect of asset decommissioning obligations, and we concur with management's view that no significant obligation exists at 31 March 2015. Management will continue to monitor this going forward; and management has implemented actions to mitigate the impact of the legislation in relation to holiday pay and consider it to be unlikely that there would be a material settlement in respect of this. We concur with management's assessment and a provision or contingent liability is not required as at 31 March 2015.

Focus area	Our response	Audit findings
<p>Property, plant and equipment</p> <p>In order to comply with the requirements of the Code, Council assets are subject to rolling valuations; non-operational assets were subject to valuation in 2014-15. Through competitive tender, management appointed an external valuer to perform the valuation. The revaluation resulted in a gain of £9 million recognised in the revaluation reserve in 2014-15.</p> <p>It is expected that the 2016-17 Code will adopt requirements of the <i>Code of practice on transport infrastructure assets</i> ("the transport code"), which requires measurement of these assets on a depreciated replacement cost basis. This will represent a change in accounting policy from 1 April 2016 and require full retrospective restatement. Local authorities are advised to develop a project plan to during 2014-15 to help achieve successful implementation.</p>	<p>Our audit work consisted of:</p> <ul style="list-style-type: none"> ■ engaging KPMG valuation specialists to challenge the valuation assumptions used by the valuer; ■ confirming the accounting treatment of the valuations by agreeing capital accounting journals; and ■ agreeing the values posted in the financial statements to those provided by the external valuer. <p>We considered the Council's plan for the requirements of the transport code, including meeting with Council staff from the asset and regulatory team and reviewing the whole of government accounts ("WGA") submission. We evaluated the extent to which the Council is prepared for the change in accounting policy.</p>	<p>From the work of our valuation specialists, which included direct contact and challenge of the valuer, we consider that the revaluation is materially appropriate. We also consider that:</p> <ul style="list-style-type: none"> ■ the methodology and approach taken by the external valuer is appropriate and in line with KPMG expectations; ■ the valuation is appropriately recognised and disclosed in the annual accounts. <p>In respect of readiness for the 2016-17 code, whilst the Council is in line with other local authorities in its preparedness, a formal project plan has not been formed and the transport infrastructure asset valuation has not yet been completed for WGA. Management anticipates that this will be completed prior to the final WGA submission in October 2015.</p> <p style="text-align: right;">Recommendation one</p>

Focus area	Our response	Audit findings
<p>Retirement benefit obligations</p> <p>The Council accounts for its participation in the Lothian Pension Fund in accordance with IAS 19 <i>Retirement benefits</i>, using a valuation report prepared by actuarial consultants.</p> <p>The Council's actuaries use membership data and a number of assumptions in their calculations based on market conditions at the year end, including a discount rate to derive the anticipated future liabilities back to the year end date and assumptions on future salary increases.</p> <p>IAS 19 requires the discount rate to be set by reference to yields on high quality (i.e. AA) corporate bonds of equivalent term to the liabilities. The calculation of the pension liability is inherently judgemental.</p>	<p>Our work consisted of:</p> <ul style="list-style-type: none"> ■ KPMG specialists reviewing the financial assumptions underlying actuarial calculations and comparison to our central benchmarks, the results of which are outlined on page 38; ■ testing of scheme assets and rolled-forward liabilities; ■ testing of the level of contributions used by the actuary to those actually paid during the year; ■ testing of membership data used by the actuary to data from the Council; and ■ agreeing actuarial reports to financial statement disclosures. 	<p>We are satisfied that the retirement benefit obligation:</p> <ul style="list-style-type: none"> ■ is correctly stated in the balance sheet as at 31 March 2015; ■ has been accounted for and disclosed correctly in line with IAS19 <i>Retirement benefits</i>; and ■ assumptions used in calculating this estimate and management's judgements are appropriate and within the acceptable KPMG range. <p>We set out further information in respect of the defined benefit obligation on pages 38 and 39. The defined benefit obligation increased by £43.2 million compared to 31 March 2014, driven by a lower discount rate and increased mortality assumption.</p>

The Council prepares annual accounts in accordance with the 2014-15 Code. There have been no changes to accounting policies in the year, however the requirements of the transport code will represent a change in accounting policy from 2016-17.

Accounting framework and application of accounting policies		
Area	Summary observations	Audit findings
Accounting policies	<ul style="list-style-type: none"> There have been no changes to adopted accounting policies in the year. Critical accounting judgements continue to relate to the valuation of property, plant and equipment as well as the valuation the present value of defined benefit obligations under IAS 19 (as calculated by the Council's actuary, Hymans Robertson) using agreed financial assumptions. The requirements of the transport code will apply from 2016-17, and represent a change in accounting policy. This will require a retrospective restatement for the Council's 2015-16 balance sheet. 	We are satisfied that the accounting policies and estimates adopted remain appropriate to the Council. We have not identified any indications of management bias.
Financial reporting framework	<p>East Lothian Council prepares annual accounts in accordance with the Code of Practice of Local Authority Accounting in the United Kingdom ("the 2014-15 Code") which is based upon International Financial Reporting Standards ("IFRS").</p> <p>The 2014-15 Code has a number of amendments from the 2013-14 version. The amendments include:</p> <ul style="list-style-type: none"> adoption of the new group accounting standards IFRS 10, IFRS 11, IFRS 12 and IAS 28; amendments in respect of the restated opening balance sheet; and changes to the requirements for accounting for combinations of bodies and transfer of functions. <p>We have considered the adoption of the new group accounting standards on page 23. We do not consider these changes to have a material impact on the Council's annual accounts. There was no requirement for a restated opening balance sheet and no combinations or transfer of funds.</p>	We are satisfied that the accounting policies adopted remain appropriate to the Council and have been correctly applied.

The annual accounts have been appropriately prepared on a going concern basis, having due consideration of the agreement of revenue support grant in respect of 2015-16.

Accounting framework and application of accounting policies		
Area	Summary observations	Audit findings
Going concern	<ul style="list-style-type: none"> ■ The Council had net assets of £230.6 million (2013-14 £252.2 million) at the balance sheet date. Although this has decreased from 2013-14 by £21.6 million, this is primarily in relation to the increases in the pension liability and long term borrowing, which do not fall due within one year. ■ Management considers it appropriate to continue to adopt the going concern assumption for the preparation of the annual accounts. It considers that the confirmed revenue support grant of £173 million and the available cash balance of £8.7 million are sufficient to meet debts as they fall due. ■ The Council recognised a surplus in the year, which added £9.3 million to useable reserves, providing further comfort over the Council's financial position. Over the past few years there has been a reduction in the overall cost base and further efficiency savings are incorporated in budgets. 	We concur with management's view that the going concern assumption remains appropriate for the reasons noted.

Our testing of the design and operation of financial controls over the production of the annual report and remuneration report are consistent with the annual accounts.

Area	Summary observations	Audit findings
Management commentary	<p>The Local Authority Accounts (Scotland) Regulations 2014 requires the inclusion of a management commentary within the annual accounts, similar to the Companies Act requirements for listed entity financial statements.</p> <p>The requirement notification was issued relatively late in the accounts preparation process and the management commentary was not included within the unaudited annual accounts; a draft was received on 5 August 2015. We reviewed the contents of the management commentary against the guidance contained in the local government finance circular 5/2015 and are content with the proposed report. We provided management with some relatively minor suggestions relating to how the management commentary could be enhanced and where additional information disclosures should be made.</p>	<p>We are required to consider the management commentary and provide our opinion on the consistency of it with the annual accounts. We are satisfied that the information contained within the management commentary is consistent with the annual accounts.</p>
Remuneration report	<p>The remuneration report was included within the draft annual accounts and supporting reports and working papers were provided.</p> <p>Amendments were required to the draft remuneration report to ensure its consistency with underlying records and presentational changes to ensure that it complied with the Local Authority Accounts (Scotland) Regulations 2014.</p> <p style="text-align: right;">Recommendation two</p>	<p>We are satisfied that the information contained within the remuneration report is consistent with the underlying records and the annual accounts.</p>

We have considered the Council's subsidiaries and associates against the requirements of group accounting standards.

We have considered the Council's arrangements in respect of following the public pound and arms-length external organisations.

Requirements	Summary observations	Audit findings
<p>Group accounting</p> <p>The 2014-15 Code includes a requirement for the adoption of the new group accounting standards IFRS 10, IFRS 11, IFRS 12 and IAS 28.</p> <p>As part of adopting the new standards, management was required to identify interests in other entities and determine whether these were classified as subsidiaries, joint ventures or associates and ensure appropriate disclosure in the annual accounts.</p>	<p>Management prepared a schedule of group entities in advance of the audit and considered each entity against the new standards and classified each entity as a subsidiary or an associate.</p> <p>We compared management's disclosure of group entities against the requirements of the Code, incorporating the new group accounting standards.</p> <p>Subsidiaries are entities over which the Council can exercise control. Control occurs if the Council has:</p> <ul style="list-style-type: none"> ■ power over the investee; ■ exposure, or rights, to variable returns from its involvement with the investee; and ■ the ability to use its power over the investee to affect the amount of the investor's returns. <p>The Council considers that the Trust Funds, Common Goods Funds, East Lothian Land and Musselburgh Joint Racing Committee are subsidiaries.</p> <p>Associates are entities in which the Council can exercise a significant influence without support from other participants. The Council considers that the Lothian Valuation Joint Board, Enjoy East Lothian Limited, East Lothian Investments and Brunton Theatre Trust are associates.</p>	<p>We agree with management's classification of subsidiaries and associates in line with the requirements of group accounting standards.</p> <p>The subsidiaries are consolidated within the annual accounts, none of them are material for audit purposes.</p>
<p>Following the Public Pound</p> <p>Auditors are required to consider the Council's arrangements for compliance with the Code of Guidance on Funding External Bodies and Following the Public Pound ("the FtPP Code").</p>	<p>We considered management's processes to comply with the FtPP Code. Internal audit considers funding provided to external organisations on an annual basis. A review of partnership funding was completed in 2014-15, and a review of funding provided to third sector organisations is planned for 2015-16.</p> <p>We prepared a report to management in 2013-14 in relation to the Council's arrangements in respect of arms-length external organisations ("ALEOs"). Our report did not include any significant recommendations, however we highlighted that the audit and governance committee had requested a report on ALEOs to be presented; this has not yet been prepared.</p> <p>Management considers Enjoy East Lothian Limited ("Enjoy") to be the Council's only ALEO. Members receive copies of Enjoy's financial statements, management reports and business plans in order to scrutinise performance. Management attend quarterly contract meetings and all Enjoy Board meetings. One third of the Enjoy Board is appointed from Council members.</p>	<p>No significant recommendations have been made to the Council in respect of weaknesses in compliance with the FtPP Code.</p>

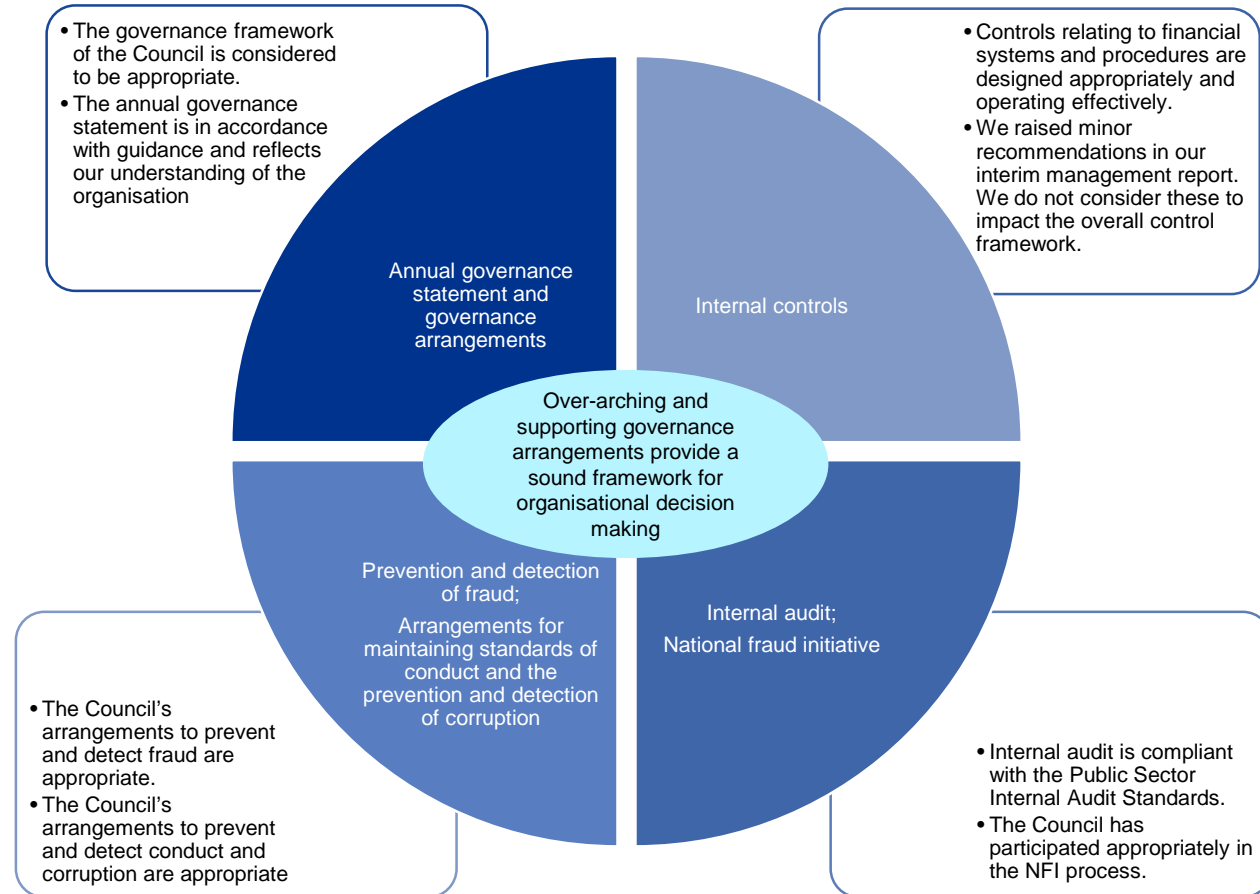
Governance and narrative reporting

Our overall perspective on narrative reporting, including the annual governance statement

Update on controls findings from our audit

We considered the Council's corporate governance arrangements against a number of key areas which we consider to make up an effective governance framework.

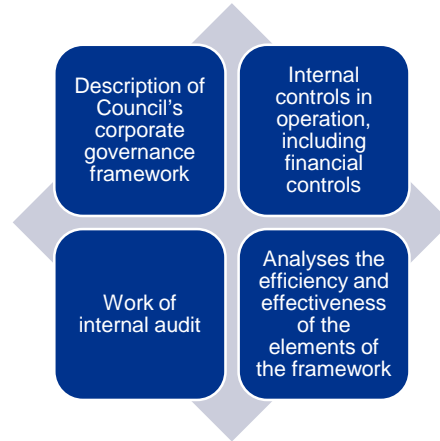
Our audit findings against each key area are provided opposite.



Over-arching and supporting corporate governance arrangements remain primarily unchanged and provide a sound framework for organisational decision-making.

Annual governance statement

The Council includes an annual governance statement within its annual accounts. The following elements have been included.



Governance arrangements

The Council operates a cabinet structure, and has an audit and governance committee to ensure sound governance arrangements.

Compliance with the Code of Corporate Good Governance

A task group comprising senior officers of the Council was given responsibility for developing, monitoring and reviewing corporate governance. An annual corporate governance self evaluation has been implemented as a result of this. The results of the 2014-15 self evaluation were reported to the audit and governance committee in May 2015 and did not identify further actions or improvement points for 2015-16.

Risk management

Management is continuing to review risk management arrangements to provide assurance to elected members over the mitigation of identified risks. The risk management strategy and supporting documentation demonstrate a commitment to good practice and were initially implemented in December 2009.

A corporate risk register is in place and is supported by departmental risk registers, which are updated on an annual basis. The corporate risk register was updated in April 2015, and approved by cabinet in May 2015. Risk registers are maintained on spreadsheets, although management intends to transfer these to the Aspireview system going forward.

The risk management strategy was updated and approved by the audit and governance committee in January 2015 and includes a description of the Council's risk appetite. This is considered to be in line with best practice.

We have updated our understanding of the governance framework and documented this through our overall assessment of the Council's risk and control environment. We consider the governance framework to be appropriate for the Council and that the governance statement is in accordance with guidance and reflects our understanding of the organisation.

We raised three recommendations in the interim audit report, in respect of bank reconciliations, system audit logs and processing of leavers. We welcome the progress in implementing the recommendations.

Internal controls

East Lothian Council management is responsible for designing and implementing appropriate internal control systems to ensure a true and fair view of operations within the annual accounts. Our testing, combined with that of internal audit, of the design and operation of financial controls over significant risk points confirms that controls relating to financial systems and procedures are designed appropriately and operating effectively.

The findings of our controls testing relate only to those matters identified during our normal audit work, in accordance with the Code, and there may still be weaknesses or risks within the control environment which have not been identified through this work.

As part of our interim audit report, we raised three recommendations in relation to control weaknesses, all of which were due to implemented by June 2015. We provide an update on the progress of implementation of each of these recommendations below:

- timely completion of bank reconciliation – bank reconciliations were all completed for 2014-15 and are progressing to an agreed timetable for 2015-16;
- maintaining system audit logs - management confirmed that system audit logs are being maintained; and
- disabling generic accounts for Chris21 and processing of leavers' paperwork – generic training accounts have been disabled and staff have been reminded to complete leavers' documentation in a timely manner.

Our testing, combined with that of internal audit, of the design and operation of financial controls over significant risk points confirms that controls relating to financial systems and procedures are designed appropriately and operating effectively. Since the conclusion of our interim work, the procedure for performing bank reconciliations has improved. There have been no other changes to the operation of controls under review.

The Council has procedures in place for the prevention and detection of fraud and corruption.

The Council participates in the NFI exercise and is progressing well with this in 2014-15.

Prevention and detection of fraud

No material fraud or other irregularities were identified during the year. The arrangements include policies and codes of conduct for staff and board members, supported by a fraud prevention policy and response plan. The Council participates in the national fraud initiative (“NFI”) exercise, lead by internal audit. We have discussed the Council’s involvement in NFI opposite.

Arrangements for maintaining standards of conduct and the prevention and detection of corruption

The Council has arrangements including policies and codes of conduct for staff and elected members, supported by a whistleblowing policy. Management and members are responsible for setting the ‘tone at the top’ and are responsible for abiding by the code of conduct and disclosing interests which may be of importance, material or otherwise, to their work at the Council.

National fraud initiative (“NFI”)

The National Fraud Initiative (“NFI”) is a data matching exercise which compares electronic data within and between participating bodies in Scotland to prevent and detect fraud. This exercise runs every two years and provides a secure website for bodies and auditors to use for uploading data and monitoring matches.

We completed a return to Audit Scotland in December 2014 in respect of the council tax single person discount to electoral roll NFI exercise, and our findings were reported in our interim management report.

We completed a further return in June 2015, where our review of the Council’s NFI participation resulted in an amber grading. The Council is progressing well through the NFI exercise, focusing on high risk outcomes. There is opportunity for improvement by updating the NFI site more regularly when investigations are completed.

Recommendation three

We consider that the Council has appropriate arrangements to prevent and detect fraud.

We consider that the Council has appropriate arrangements to prevent and detect inappropriate conduct and corruption.

We consider that the Council has participated appropriately in the NFI process following up all higher risk outcomes in a timely manner.

The Council's internal audit department supports management in maintaining sound corporate governance arrangements and internal controls. We have found internal audit to be compliant with the Public Sector Internal Audit Standards.

Internal audit

Internal audit is provided by the Council's internal audit department and supports management in maintaining sound corporate governance and internal controls through the independent examination and evaluation of control systems and the reporting of any weaknesses to management for action.

Audit Scotland's Code of Audit Practice sets out the wider dimension of public sector audit. It requires external auditors to perform an annual assessment of the adequacy of the internal audit function. We considered the activities of internal audit against the requirements of Public Sector Internal Audit Standards ('PSIAS'), focusing our review on the public sector requirements of the attribute and performance standards contained within PSIAS. This included a review of the internal audit charter, reporting lines, independence, objectivity and proficiency and the range of work carried out by internal audit. We also considered the requirements of International Standard on Auditing 610 (*Considering the Work of Internal Audit*).

From this assessment, and considering the requirements of International Standard on Auditing 610 (*Considering the Work of Internal Audit*), we can apply internal audit's work to inform our procedures, where relevant. The review of internal audit reports and conclusions did not indicate additional risks and there is no impact on our planned substantive testing.

Internal audit has completed its agreed plan for the year ended 31 March 2015 and the controls assurance statement states that reasonable assurance can be placed on the overall adequacy and effectiveness of East Lothian Council's framework of governance, risk management and control for the year to 31 March 2015. The graphic opposite provides a summary of internal audit's work during the year.

Summary of internal audit work

- Agreed plan completed for the year.
- 21 reviews completed.
- Out of a total of 122 findings, nine were categorised as 'high' risk findings.
- Controls assurance statement provides reasonable assurance on the overall adequacy and effectiveness of the Council's governance framework, risk management and controls.
- Internal audit conduct probity reviews, providing the Council with assurance over its control framework. There are opportunities for added value to be provided by internal audit through wider scope "strategic" reviews.

We have concluded that the internal audit service operates in accordance with Public Sector Internal Audit Standards.

We can apply internal audit's work to inform our procedures, where relevant. The review of internal audit reports and conclusions did not indicate additional risks and there is no impact on our planned substantive testing.

The integration joint board receives its delegated powers as of 1 April 2016.

We have considered the Council's progress against milestones to date and its preparedness for key milestones for activities from 1 April 2016.

We consider the Council's progress to be appropriate and in line with most local authorities.

Health and social care integration

In March 2014 the Public Bodies (Joint Working) (Scotland) Act was passed by the Scottish Government. This requires all Councils and NHS Boards to formally and legally establish integration of health and social care by April 2016. We have considered the Council's progress against milestones to its preparedness for activities from 1 April 2016. All statutory requirements have been met to date.

Milestone	Summary observations	Our view
Establishment of Shadow Board	The shadow board met throughout 2013-14 and 2014-15.	The shadow board has fulfilled its role during 2013-14 and 2014-15.
Approval of integration scheme and establishment of Integration Joint Board ("IJB")	<p>The integration scheme for East Lothian was approved by Scottish Government in May 2015. The IJB was formally established in June 2015 and met for the first time on 1 July 2015. The East Lothian shadow IJB worked with partner shadow IJBs within the Lothian region in forming the integration scheme, to ensure collaborative working and reduce duplication.</p> <p>The IJB's key initial responsibility is to form the action plan to ensure readiness for 1 April 2016.</p>	<p>The Council met statutory requirements in relation to the integration scheme. With the IJB established and operating, this is ahead of many Councils in Scotland.</p> <p>Forming a full action plan, to formalise objectives and identify interdependencies, is important, as noted by the chief officer.</p>
Governance and membership arrangements	The voting and non-voting members of the IJB were formally appointed. Standing orders were approved at the IJB's first meeting and the Code of Conduct is being developed jointly between NHS and Council officers. The Code of Conduct will be approved by the Scottish Government before members must formally adopt and commit to complying.	Progress is in line with expectations. Management is aware of the need to consider remits of committees within the Council to ensure they reflect the new responsibilities and maintain scrutiny of services.
Appointment of chief officer and chief finance officer	The chief officer was appointed at the first meeting of the IJB. In respect of the chief finance officer (section 95 officer), recruitment is ongoing and is expected to be a joint appointment with another IJB.	A vacancy in the chief finance officer post is not unusual for IJBs at this stage. There is a risk to the IJB's readiness for 1 April 2016 given the requirement for financial planning and due diligence in advance of this date.
Other key positions	The IJB has prepared an organisational structure paper which sets out the preferred structure, whereby there will be three service provision groups and a support function. Two of three heads of services are in place and the remaining appointment is targeted for 30 September 2015.	The final head of service appointment is outstanding and progress to date is considered to be on track.

Health and social care integration (continued)

Milestone	Summary observations	Our view
<p>Development of strategic plan</p>	<p>Section 32 of the Public Bodies (Joint Working) (Scotland) Act places a duty on IJBs to establish a strategic planning group (“SPG”) which is involved in all stages of developing and reviewing the strategic plan. Membership of the SPG and its role and remit have been approved by the IJB. A consultation on the joint strategic plan has been undertaken. The NHS Lothian’s Local Delivery plan is a critical part of forming the strategy and this is directed by the chief officer.</p>	<p>We consider that progress with developing the strategic plan is on track, and that the SPG will act as an appropriate forum to develop the strategic plan.</p>
<p>Due diligence</p>	<p>Three streams of due diligence have been carried out, and different options have been identified. This work is ongoing and will be a key milestone to ensure appropriate financial management.</p>	<p>We consider progress to be appropriate, and further focus is needed to ensure all due diligence is completed in time to put in place appropriate organisational structures.</p>
<p>Budgets</p>	<p>Annual accounts will be required for the joint board from 2015-16 onwards and it is anticipated that partners will include financial information regarding the joint board in annual accounts.</p> <p>The budget for 2016-17 will be formed drawing on existing functional budgets.</p>	<p>As minimal spend is expected in 2015-16 we are comfortable that no formal budget is required. A budget for 2016-17 will need to be formed, and appointment of a chief finance office is a key step to enable this to happen.</p>
<p>Communication</p>	<p>East Lothian Council keeps stakeholders informed of the progress of Health and Social Care Integration and the IJB through the Council website. This has a section which includes the background of integration, progress, minutes, key individuals and events. Part of the action plan for the IJB is in respect of communication to employees, of the two partners, in respect of future plans and inherent changes.</p>	<p>The East Lothian Council website contains excellent information to inform stakeholders, and is more informative than other such websites.</p>

Performance management

Our perspective on the performance management arrangements, including follow up work on Audit Scotland reports

Our work has identified that the Council's Best Value and performance management arrangements are generally robust.

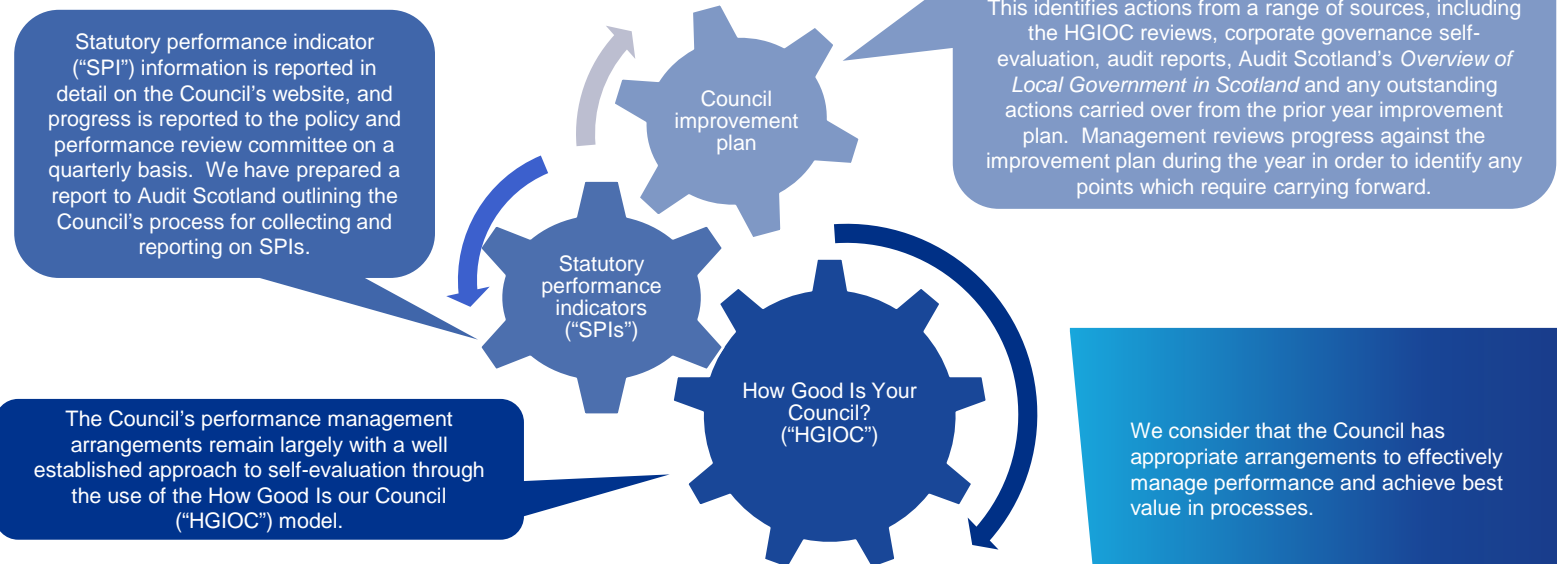
Performance management and Best Value

Scottish Government guidance on Best Value in public services requires a systematic approach to self-evaluation and continuous improvement. The guidance identifies the themes an organisation needs to focus on in order to deliver the duty of Best Value, but notes that implementation should be appropriate and proportionate to the priorities, operating environment, scale and nature of the body's business.

In June 2015 Audit Scotland presented a report to the Accounts Commission summarising a review of all Scottish councils' response to the Commission's Statutory Performance Information Direction (2012). The Council scored favourably on the report, with full compliance in 16 of 18 themes. Areas for improvement were identified as assets and procurement, as there is small range of indicators in these areas.

Included within the internal audit plan each year is a review of the systems for preparation and reporting of performance indicators, to provide assurance over best value. Internal audit considers best value as part of wider reviews, for example within the 2014-15 discretionary and mandatory financial assistance review.

Our consideration of the work of internal audit, as part of our extended control work, did not indicate high risk findings within these areas. We consider that the Council has adequate processes to ensure best value. However we recognise that there are a number of criteria to consider within best value and it is inherently judgemental.



The Council has established processes for the consideration of Audit Scotland's national performance audits.

We have prepared a return to Audit Scotland in 2014-15 in respect of our findings on financial capacity within the Council.

Local response to national studies

Audit Scotland periodically undertakes national studies on topics relevant to the performance of local government bodies. To ensure that added value is secured through the role of Audit Scotland and its appointed auditors, auditors consider if audited bodies respond appropriately to reports from Audit Scotland's programme of national performance audits.

The Council has established processes for the consideration of national performance audits. All Audit Scotland performance audit reports are presented to the audit and governance committee. The service manager for corporate policy and improvement, policy officer or relevant service manager prepares a report to include a summary of Audit Scotland's findings, the Council's position in relation to this and an action plan for improvements. Presenting these to the audit and governance committee ensures members are aware of sector and national issues, and there is appropriate challenge for management in addressing any potential weaknesses.

Financial capacity in public bodies

Through the process of feedback through annual audit reports, current issues reports and sector meetings, Audit Scotland has identified that overall reductions in staff numbers in public bodies may be affecting the capacity of back-office functions and specifically finance.

Audit Scotland has requested the collation of baseline data across the public sector to inform sector specific overview reports and may inform a follow-up to the joint report on the public sector workforce which was published in November 2013 or support the development of the future performance audit programme.

We have completed a return to Audit Scotland in respect of our findings. Our review in response to the request for data collection identified that there is appropriate financial capacity within the organisation to ensure effective management. However, financial responsibility is concentrated to a few individuals with wide roles. It is likely that with the integrated health and social care joint board, responsibilities for the finance team will increase and capacity may be further stretched. A service review is being considered to improve capacity within the finance team.

Recommendation four

We consider that the Council has appropriate arrangements to effectively respond to national studies.

We consider that the Council has appropriate financial capacity to effectively manage the organisation. Improvements could be made with regard to succession planning of key finance positions and ensuring capacity for the integration of health and social care.

Appendices

There were no changes to the core financial statement and there are no unadjusted audit differences

Area	Key content	Reference
Adjusted audit differences Adjustments made as a result of our audit	<p>There were no audit adjustments required to the draft annual accounts which impacted on the net assets or net income for the year.</p> <p>A small number of minor numerical and presentational adjustments were required to some of the financial statement notes.</p>	-
Unadjusted audit differences Audit differences identified that we do not consider material to our audit opinion	<p>We are required by ISA (UK and Ireland) 260 to communicate all uncorrected misstatements, other than those which are trivial, to you.</p> <p>There are no unadjusted audit differences.</p>	-
Confirmation of Independence Letter issued to the Audit and Governance Committee	<p>We have considered and confirmed our independence as auditors and our quality procedures, together with the objectivity of the Audit Director and audit staff.</p>	Appendix two
Schedule of Fees Fees charged by KPMG for non-audit services	<p>We have concluded that non-audit fees of £34,800 for the year in respect of VAT services do not compromise our independence. The team responsible for the VAT service is separate from the audit team.</p>	Appendix two
Management representation letter Proposed draft of letter to be issued by the Council to KPMG	<p>There are no changes to the standard representations required for our audit from last year.</p>	-
Materiality The materiality applied to audit testing.	<p>We assessed materiality based on our knowledge and understanding of East Lothian Council's risk profile and annual accounts balances. Materiality was determined at £5.74 million; approximately 2% of total expenditure, and is broadly consistent with the materiality identified in our audit strategy.</p> <p>We designed our audit procedures to detect errors at a lower level of precision, i.e. £4.3 million.</p> <p>We report identified errors greater than £250,000 to the audit and governance committee.</p>	

Mandatory communications: charity accounts

Our audit work on the financial statements of Dr Bruce Fund (“the charity”) is complete and we have issued an unqualified opinion on the truth and fairness of the state of the charity’s affairs as at 31 March 2015, and of the charity’s surplus for the year then ended.

Area	Key content
Adjusted audit differences Adjustments made as a result of our audit	There were no audit adjustments required to the draft accounts which impacted on the net assets and income and expenditure for the year. A small number of minor numerical and presentational adjustments were required to some of the financial statement notes.
Unadjusted audit differences Audit differences identified that we do not consider material to our audit opinion	We are required by ISA (UK and Ireland) 260 to communicate all uncorrected misstatements, other than those which are trivial, to you. There are no unadjusted audit differences.
Confirmation of Independence Letter issued to the scrutiny committee	We have considered and confirmed our independence as auditors and our quality procedures, together with the objectivity of the Audit Director and audit staff.
Schedule of Fees Fees charged by KPMG for non-audit services	There were no non-audit fees in 2014-15.
Management representation letter Proposed draft of letter to be issued by the Council to KPMG	There are no changes to the standard representations required for our audit from last year.
Materiality: Dr Bruce Fund The materiality applied to audit testing.	We assessed materiality based on our knowledge and understanding of the charities’ risk profiles and annual accounts balances. Materiality was determined at £1,100; approximately 10% of net assets. We designed our audit procedures to detect errors at a lower level of precision, i.e. £825, with errors greater than £55 reported to the audit and governance committee.

Auditing standards require us to consider and confirm formally our independence and related matters in our dealings with East Lothian Council.

We have appropriate procedures and safeguards in place to enable us to make the formal confirmation in our letter included opposite.

Auditor independence

Professional ethical standards require us to provide to you at the conclusion of an audit a written disclosure of relationships (including the provision of non-audit services) that bear on KPMG LLP's objectivity and independence, the threats to KPMG LLP's independence that these create, any safeguards that have been put in place and why they address such threats, together with any other information necessary to enable KPMG LLP's objectivity and independence to be assessed. This letter is intended to comply with this requirement and facilitate a subsequent discussion with you on audit independence.

We have considered the fees paid to us by East Lothian Council and its related entities for professional services provided by us during the reporting period. We are satisfied that our general procedures support our independence and objectivity.

General procedures to safeguard independence and objectivity

KPMG LLP is committed to being and being seen to be independent. As part of our ethics and independence policies, all KPMG LLP Audit Directors and staff annually confirm their compliance with our ethics and independence policies and procedures including in particular that they have no prohibited shareholdings. Our ethics and independence policies and procedures are fully consistent with the requirements of the APB Ethical Standards. As a result we have underlying safeguards in place to maintain independence through:

- Instilling professional values
- Regular communications
- Internal accountability
- Risk management
- Independent reviews

Please inform us if you would like to discuss any of these aspects of our procedures in more detail.

There are no other matters that, in our professional judgement, bear on our independence which need to be disclosed to the board of directors.

Confirmation of audit independence

We confirm that as of 28 September 2015, in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Audit Director and audit staff is not impaired.

This letter is intended solely for the information of the audit committee and should not be used for any other purpose.

Yours faithfully
KPMG LLP

In respect of employee benefits, each of the assumptions used to value the Council's net pension deficit are within an acceptable range of KPMG's expectations.

We are of the view that this therefore represents a reasonable and balanced approach, in accordance with the requirements of IAS 19.

We set out below the assumptions in respect of employee benefits.

Defined benefit pension liability																							
2015 £'000	2014 £'000	KPMG comment																					
(172,028)	(128,785)	<p>In line with our established practice and in advance of the audit fieldwork, our actuarial specialists reviewed the approach and methodology of the actuarial assumptions used in the IAS19 pension scheme valuation.</p> <p>Details of key actuarial assumptions are included in the table, along with our commentary.</p> <table border="1"> <thead> <tr> <th>Assumption</th> <th>East Lothian Council</th> <th>KPMG central</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>Discount rate (duration dependent)</td> <td>3.20%</td> <td>3.30%</td> <td>Acceptable. The proposed discount rates are within an acceptable range of KPMG's central rates as at 31 March 2015.</td> </tr> <tr> <td>CPI inflation</td> <td>RPI less 0.9%</td> <td>RPI less 1.0%</td> <td>Acceptable. KPMG's view is that the differential between RPI and CPI should be closer to 1%. The Council's assumptions could therefore be considered prudent (higher liability).</td> </tr> <tr> <td>Net discount rate (discount rate – CPI)</td> <td>0.80% – 1.00%</td> <td>1.02% - 1.05%</td> <td>Acceptable. The proposed assumptions are within the acceptable range of +/- 0.3% from the KPMG central range.</td> </tr> <tr> <td>Salary growth</td> <td>RPI + 1%</td> <td>Typically 0% - 1.5% above inflation</td> <td>Acceptable. The proposed assumptions are within the acceptable range.</td> </tr> </tbody> </table>		Assumption	East Lothian Council	KPMG central	Comment	Discount rate (duration dependent)	3.20%	3.30%	Acceptable. The proposed discount rates are within an acceptable range of KPMG's central rates as at 31 March 2015.	CPI inflation	RPI less 0.9%	RPI less 1.0%	Acceptable. KPMG's view is that the differential between RPI and CPI should be closer to 1%. The Council's assumptions could therefore be considered prudent (higher liability).	Net discount rate (discount rate – CPI)	0.80% – 1.00%	1.02% - 1.05%	Acceptable. The proposed assumptions are within the acceptable range of +/- 0.3% from the KPMG central range.	Salary growth	RPI + 1%	Typically 0% - 1.5% above inflation	Acceptable. The proposed assumptions are within the acceptable range.
Assumption	East Lothian Council	KPMG central	Comment																				
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Salary growth	RPI + 1%	Typically 0% - 1.5% above inflation	Acceptable. The proposed assumptions are within the acceptable range.																				
<p>The overall assumptions applied by management are considered to be reasonably balanced for a scheme with a liability duration of between 17 and 23 years. The closing deficit increased by £43.2 million compared to 2013-14, primarily due to changes in assumptions, driven by the decrease in the discount rate and increase in mortality rates. A reconciliation from opening to closing deficit is included on the next page.</p>																							

The table opposite shows the reconciliation of the movement in the statement of financial position.

Increases to the pension scheme deficit in the year have been driven by changes in financial and demographic assumptions.

	£'000	Deficit / loss	Surplus / gain	Impact	Commentary
	Opening pension scheme deficit			(128,785)	The opening IAS 19 deficit for the Scheme at 1 April 2014 was £128.8 million, consisting of assets of £370 million and defined benefit obligation of £498.8 million.
I & E	Service cost			(15,294)	The employees' share of the cost of benefits accruing over the year is £15.2 million.
	Past service cost			(166)	A past service cost of £0.2 million is recognised, relating to early retirement over the year.
	Net interest			(5,564)	This is the interest on the opening deficit of £128.8 million. This is made up of £15.9 million interest income on plan assets, and £21.5 million interest cost on obligations.
Cash	Contributions			14,086	The Council made contributions of £14.1 million, broadly in line with contributions made last year, allowing for decreases in staff numbers through VERS.
OCI	Actuarial gain/(loss) – demographic assumptions			(21,928)	There was an actuarial loss of £21.9 million as a result of increasing mortality rates.
	Actuarial loss – financial assumptions			(59,394)	There was an actuarial loss of £59.4 million, driven by a 1.1% decrease in the discount rate assumption.
	Other experience			1,539	Other experience remeasurements resulted in a gain of £1.5 million.
	Return on assets			43,478	The return on plan assets, excluding interest of £15.9 million, was £43.5 million.
	Closing pension scheme deficit			(172,028)	The closing IAS19 deficit on the scheme at 31 March 2015 is £172 million (consisting of assets of £430.6 million and defined benefit obligation of £602.6 million).

I&E – impacts on surplus /(deficit) within statement of comprehensive net expenditure

Cash – cash-flow impact

OCI – charged through other comprehensive income

The action plan summarises specific recommendations arising from our work, together with related risks and management’s responses.

We present the identified findings across four risk dimensions:

- financial statements;
- business risks;
- governance risks; and
- performance reporting.

Priority rating for recommendations		
Grade one (significant) observations are those relating to business issues, high level or other important internal controls. These are significant matters relating to factors critical to the success of the organisation or systems under consideration. The weaknesses may therefore give rise to loss or error.	Grade two (material) observations are those on less important control systems, one-off items subsequently corrected, improvements to the efficiency and effectiveness of controls and items which may be significant in the future. The weakness is not necessarily great, but the risk of error would be significantly reduced if it were rectified.	Grade three (minor) observations are those recommendations to improve the efficiency and effectiveness of controls and recommendations which would assist us as auditors. The weakness does not appear to affect the availability of the control to meet their objectives in any significant way. These are less significant observations than grades one or two, but we still consider they merit attention.
Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>1 Whole of government accounts – transport infrastructure assets (page 17)</p> <p><i>Risk dimension: financial statements</i></p> <p>Management completed the whole of government accounts (“WGA”) data collection tool (“DCT”) in line with the deadline for submission to auditors on 24 July 2015. The DCT contains an optional tab for transport infrastructure assets to help local authorities prepare a depreciated replacement cost valuation in line with the transport code. This tab was not completed on the unaudited DCT, however management plans to include this within the financial submission.</p> <p>There is a risk that management will not have the depreciated replacement cost figures for transport infrastructure assets as at 1 April 2015 to allow for a restatement of the 2015-16 balance sheet in line with the requirements of the Code.</p>	<p>Management should consider completing the transport infrastructure assets tab of the DCT prior to final submission. Going forward, this should be included in the first submission.</p>	<p style="text-align: center;">Grade three</p> <p>Inclusion of the infrastructure assets in the draft WGA submission was an optional requirement, with the intention that this would be included within the final WGA submission.</p> <p>Responsible officer: Service manager – Business Finance</p> <p>Implementation date: October 2015 (in line with WGA submission)</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>2 Remuneration report (page 21)</p> <p><i>Risk dimension: Governance</i></p> <p>A number of corrections and presentational adjustments were required to ensure that the remuneration report was accurate and complied with guidance.</p> <p>There is a risk that remuneration report is inaccurate or is not in line with guidance.</p>	<p>We recommend that the report is reviewed more thoroughly prior to its inclusion in the annual accounts to identify errors and inconsistencies.</p>	<p style="text-align: center;">Grade three</p> <p>Recommendation agreed. We will continue to ensure appropriate level of review is included within the accounts planning process.</p> <p>Responsible officer: Service manager – Business Finance</p> <p>Implementation date: June 2015</p>
<p>3 National fraud initiative (page 28)</p> <p><i>Risk dimension: Governance</i></p> <p>We completed a return to Audit Scotland in June 2015 to review the Council's participation. This resulted in an amber grading. We consider the Council to be progressing well through the NFI exercise, focusing on high risk outcomes. There is opportunity for improvement by updating the NFI site more regularly when investigations are completed.</p>	<p>Management should ensure outcomes are recorded as complete on the NFI site as they are resolved to ensure the site is up to date.</p>	<p style="text-align: center;">Grade three</p> <p>Recommendation agreed.</p> <p>Responsible officer: Internal audit manager</p> <p>Implementation date: The NFI site will be updated as soon as investigations are completed.</p>

Finding(s) and risk(s)	Recommendation(s)	Agreed management actions
<p>4 Financial capacity in public bodies (page 31)</p> <p><i>Risk dimension: Business</i></p>		<p>Grade two</p>
<p>We completed a return to Audit Scotland in respect of our findings on financial capacity within the Council. Our review in response to the request for data collection identified that there is appropriate financial capacity within the organisation to ensure effective management. However, financial responsibility is concentrated to a few individuals with wide roles. It is likely that with the integrated health and social care joint board, responsibilities for the finance team will increase. There is a risk there may not be sufficient capacity to take on this additional burden. We understand that a service review is being considered to improve capacity within the finance team</p>	<p>It is recommended that a service review is implemented as planned to assess capacity within the finance team. Management should consider its responsibilities in terms of the integrated joint board and ensure these are allocated to appropriate individuals. Preparation of the annual accounts if the integrated joint board should be included within the year end timetable for 2015-16 onwards.</p>	<p>Recommendation agreed.</p> <p>Responsible officer: Head of Council Resources / Service Managers – Business Finance and Corporate Finance.</p> <p>Implementation date: December 2015</p>



cutting through complexity

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REPORT TO: East Lothian Council

MEETING DATE: 27 October 2015

BY: Depute Chief Executive (Partnership and Services for Communities)

4

SUBJECT: East Lothian Council Annual Public Performance Report 2014/15

1 PURPOSE

- 1.1 To provide the Council with the Council's Annual Performance Report 2014/15.

2 RECOMMENDATIONS

- 2.1 That Council notes the progress being made to achieve the Council Plan and approves the Annual Performance Report 2014/15.

3 BACKGROUND

- 3.1 The Annual Performance Report is a summary of the Council's performance in the financial year 2014/15 (April 2014 – March 2015).
- 3.2 The report shows performance against the four objectives of the Council Plan 2012-17. Information contained within the report has been drawn from the Council's Key Performance Indicators, reports to Council, Cabinet and Committees, audit and inspection reports and monitoring of the Council Plan undertaken by Council Management Team.
- 3.3 Audit Scotland has carried out an evaluation of Council Annual Public Performance Reports for 2013/14. The results of this work, which were reported to the Accounts Commission in June 2015, showed that East Lothian Council fully met 24 out of 26 criteria against which performance reports were judged.
- 3.4 Given this very positive evaluation the 2014/15 Annual Performance report broadly follows the same structure and format as the previous year's report. The report currently includes the 2013/14 Local

Government Benchmarking Framework results. The 2014/15 results will be published later in the year. The Annual Performance Report will be amended to incorporate the results when they are published.

- 3.5 The Draft Annual Public Performance Report 2014/15 was considered by the Policy and Performance Review Committee (29 September 2015). Committee members reviewed the report, asked questions on some of the detail and otherwise noted the report. The Convener of the Committee suggested that a synopsis of the main points in the report would be helpful.
- 3.6 The Performance Report itself is a summary of the key activities of the Council over the last year and contains a summary of the over 150 key performance indicators reported on by the Council. The main points of the report are summarised in the following paragraphs.
- 3.7 Progress is being made in achieving the Council Plan across all four key objectives. The report highlights some of the key activities and initiatives undertaken in 2014/15 to support the achievement of the Council Plan objectives and commitments.
- 3.8 **Growing our Economy** – East Lothian Works supported 163 young people into employment or paid work experience and apprenticeships; numerous activities were supported in 2014/15 to promote East Lothian's Food, Drink and Tourism sectors; the Council has supported the development of land for business use, including the extension of Mid Road Industrial Estate Business Units in Prestonpans.
- 3.9 **Growing our People** – Looked After Children in East Lothian are increasingly being looked after in a community setting rather than residential care; overall, attainment and post school participation in East Lothian has improved over the five-year period to 2014; the Council has implemented the commitment to provide 600 hours of early learning and childcare to eligible 2 year-olds and all 3 and 4 year olds; the Council and NHS Lothian have put in place a Health and Social Care Integration Scheme and established an Integrated Joint Board; an action plan was put in place to reduce the number of people whose discharge from hospital is delayed.
- 3.10 **Growing our Communities** – the Council has continued the council house building programme with several new housing developments being completed and other being started in 2014/15; the Council house modernisation programme provided 454 new kitchens and 262 new bathrooms; a concerted programme of action has reversed the trend of increasing levels of rent arrears; a number of road safety initiatives were taken including extension of the pilot of banning vehicles from some primary schools at peak times and introducing 20mph speed limits where there is community support; significant work was undertaken in 2014/15 to prepare for the introduction of new weekly food waste collection from April 2015; six Area Partnerships were established and began work on developing Area Plans.

- 3.11 ***Growing the Capacity of our Council*** – the Council achieved Investors in People accreditation; the East Lothian Partnership undertook a partnership self-assessment which resulted in a detailed improvement action plan for the Partnership; the Musselburgh Total Place Family Focus project has been established to develop an early intervention approach to dealing with the problems associated with our most vulnerable families.
- 3.12 Generally the key performance indicators as summarised in the report show improvement in performance. Around two-thirds of indicators showed an improving trend. Audit Scotland reported that *‘Overall... across East Lothian Council, there continue to be areas of strong performance and a number of improvement activities continue to make good progress.’* (Audit Scotland, Assurance and Improvement Plan, 2014-17). Performance indicators which improved over the last year included:
- The proportion of 18-24 year olds claiming job seekers allowance
 - Average weeks taken to decide on business and industry local planning applications
 - Proportion of school leavers entering positive destinations
 - % of looked after children being looked after in the community
 - % of adults satisfied with social care or social work services
 - Average length of time taken to complete emergency repairs (to council houses)
 - Attendances at indoor sports and leisure facilities
 - Number of vehicles accessing recycling centres.
- 3.13 The Policy and Performance Review Committee receives detailed briefings on all key performance indicators, focusing on the indicators that are significantly below target or showing a negative trend. Over the last year it has received detailed reports on actions that are being taken to address areas of concern such the number of delayed discharge patients waiting over 4 weeks, rent arrears, council house repairs and the response times for calls made to the Call Centre.
- 3.14 The Local Government Benchmarking data from 2013/14 (the 2014/15 data is not available until after the Annual Performance Report has been published) provides comparison between the Council and other councils’ performance on 55 indicators. This shows that the Council performed well in respect of several key indicators including all eight measures of public satisfaction with council services, the percentage of Council Tax collected and the cost of support services. The Council compared less favourably on a small number of indicators including rent arrears, and the average length of time taken to complete non-emergency repairs.
- 3.15 The Annual Performance Report provides a summary of the Council’s financial performance for 2014/15 as reported in the Council’s Annual

Accounts. This shows that the Council delivered better than anticipated financial returns for the year, with an increase in General Services usable reserves of over £7.3m.

- 3.16 The report concludes with a summary of plans for 2015/16 onwards for addressing the challenges and opportunities outlined in the Council Plan.

4 POLICY IMPLICATIONS

- 4.1 The reporting of performance is essential if the Council is to demonstrate continuous improvement and Best Value. Reporting performance will help the Council to display openness, transparency and accountability. Best Value places a duty upon the Council to report performance to the public in order to enhance accountability.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – none.
 6.2 Personnel – none.
 6.3 Other – none.

7 BACKGROUND PAPERS

- 7.1 Appendix 1: East Lothian Council Annual Performance Report 2014/15

AUTHOR'S NAME	Paolo Vestri
DESIGNATION	Service Manager Corporate Policy & Improvement
CONTACT INFO	pvestri@eastlothian.gov.uk 01620 827320
DATE	13/10/2015

How Good is Your Council?

East Lothian Council's Annual Performance Report 2014/15

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Welcome and Introduction

Welcome to 'How Good is Your Council?' East Lothian Council's Annual Performance Report for 2014/15.

This report provides information on the Council's performance during 2014/15. Further detail on the Council's performance can be found on the performance pages of the Council website: www.eastlothian.gov.uk/performance.

The Council's strategic plan, 'Working Together for a Better East Lothian: The East Lothian Council Plan 2012-2017' sets out the Council's ambition to make East Lothian an even more prosperous, safe and sustainable place with a dynamic and thriving economy that will allow our people and communities to flourish. In this Annual Performance Report we outline the progress we have made towards achieving the objectives and commitments we set out in the Council Plan. We are now three years into the plan and we are pleased to note that we have made good progress towards our goals.

Given the very tight financial constraints under which the Council has to operate including 'flat cash' grant settlement, the Council has had to make difficult budget choices, re-design services reduce staffing levels and find savings from innovation and prioritising work. In view of the changing context we are very pleased that this report shows that we have still managed to achieve so much with our diminishing resources and have maintained and improved our performance. The report highlights some of the Council's key activities over the last year.

We are particularly pleased that the efforts of the Council and the hard work of the Council staff to focus on improving performance and the quality of services to the public is recognised by our auditors who stated in the latest review of the Council's progress and overall performance that:

'Overall... across East Lothian Council, there continue to be areas of strong performance and a number of improvement activities continue to make good progress.'

(Audit Scotland, Assurance and Improvement Plan, 2014-17)

The Council Plan is a five-year plan so it is still a 'work in progress' and much more can and will be done to continue to improve council services and achieve our ambition to make East Lothian a prosperous, safe and sustainable place with a dynamic and thriving economy that will allow our people and communities to flourish.

We look forward to working with Council staff, our public sector partners and East Lothian's communities over the coming year to make further progress.

Angela Leitch
Chief Executive

Councillor Willie Innes
Council Leader

Strategy and Objectives

The East Lothian Council Plan 2012-2017 is an ambitious statement setting out what the Council wants to achieve over that period.

The Plan has been influenced by the 2020 Vision for East Lothian, the Single Outcome Agreement 2013-23 (East Lothian Community Planning Partnership’s plan for the future of East Lothian), and the Council Administration’s manifesto, adopted as Council policy in May 2012. It puts these aspirations and commitments into one strategic document that sets the framework and priorities through which the Council will work towards achieving its ambition for East Lothian.

East Lothian faces significant challenges over the coming years, including: the wider financial environment and period of prolonged austerity in which the Council is operating within; the projected growth in population; and, growing demand for services.

Our primary focus is to respond to these challenges to enable East Lothian to continue to move towards achieving the ambition as set out in the 2020 Vision, the Council Plan and the East Lothian Plan (Single Outcome Agreement).









This year’s Annual Performance Report is structured around the four Objectives of the Council Plan 2012-17:

- **Growing our Economy** – to increase sustainable economic growth as the basis for a more prosperous East Lothian
- **Growing our Communities** – to give people a real say in the decisions that matter most and provide communities with the housing, transport links, community facilities and environment that will allow them to flourish
- **Growing our People** – to give our children the best start in life and protect vulnerable and older people
- **Growing the capacity of our Council** – to deliver excellent services as effectively and efficiently as possible within our limited resources.

The report includes a summary of the Council’s finances and financial position, highlighting ‘where the money goes’ and providing an overview of the financial outlook for the Council.

It concludes with a summary of the Council’s priorities for the next financial year, 2015/16.

Key to symbols for performance indicators used in this report:

	Performing better than target		Improving since the year before		Position of East Lothian relative to the highest and lowest results in Scotland
	Performing slightly worse than target		Staying the same as the year before		
	Performing much worse than target		Getting worse than the year before		Scottish median position

Performance Indicators

The Council monitors how well it delivers its services using a range of performance indicators. Our indicators are generally reported on a quarterly basis (once every three months), though some can only be reported on an annual basis. Most of the indicators have a target that helps to provide context on how well the Council is performing. Comparisons with other areas in Scotland are also available for some indicators.

Further information regarding each indicator can be found on the Council's performance website: http://www.eastlothian.gov.uk/info/200453/performance_reporting or by clicking on any of the links below:

Growing our economy



Planning



The environment and waste management



Crime, safety, anti-social behaviour and criminal justice social work



Countryside & Leisure



Children's Wellbeing



Tackling poverty



Effective, efficient and excellent services



Transport, roads and lighting



Protective services



Cultural & Community Services



Healthier living, independent living and community care



Education



Housing & Homelessness



Services built around people and communities



Prioritising prevention and promoting equality



Growing our Economy – to increase sustainable economic growth as the basis for a more prosperous East Lothian

Context:

East Lothian's Economic Development Strategy 2012-22 identified a series of strengths and weaknesses for economic development in the area.

Strengths included a diverse business base with strengths in food & drink, tourism, higher education, East Lothian's proximity to Edinburgh and its quality of life.

Weaknesses consisted of a lack of large employers, pockets of deprivation, limited availability of land for economic development and poor public transport infrastructure.

The Strategy outlines two strategic goals aimed at improving the economic competitiveness of East Lothian:

- To increase the number of business in East Lothian with growth potential
- To increase the proportion of East Lothian residents working in and contributing to East Lothian's economy

Particular challenges faced by the Council and its partners (delivering the Economic Development Strategy is the responsibility of the East Lothian Partnership's Sustainable Economy Partnership which includes the Council, Scottish Enterprise, Skills Development Scotland, Edinburgh College and representatives of the business sector) include:

Youth unemployment – the proportion of 18-24 year olds claiming Job Seekers Allowance in East Lothian is relatively high in comparison to the overall proportion of the population claiming Job Seekers Allowance.

Wages for those working in East Lothian – the average weekly wage for those working in East Lothian is lower than for East Lothian residents that commute to work outside the area.

New businesses – East Lothian has a lower number of businesses per 10,000 population than the Scottish average.

How we did in 2014/15:

East Lothian Works – East Lothian's employability hub, brings together all employability-related services. In 2014/15 the service made use of the Youth Employment Scotland Fund to support 163 young people into paid work or paid work experience. Of the 163 participants 107 were employed in new jobs in the private sector and 56 young people were employed by the Council (including 39 paid work experience placements, 8 graduate internships and 9 new modern apprenticeship opportunities). In addition, the Council provided 152 work experience placements for school pupils in 2014/15. The overall proportion of 18-24 year olds claiming Job Seekers Allowance in East Lothian has reduced.

East Lothian Hospitality and Tourism Academy – the Council won the top Gold Award category for Service Innovation and Improvement for the Academy at the CoSLA excellence awards 2015. The Academy aims to provide academic qualifications and experience to enable young people to benefit from a positive destination, as well as smoothing the transition between school, college, university and work and raising standards within the industry. What started as a trial project with three East Lothian secondary schools has now grown into a unique and highly successful partnership involving Queen Margaret University, Edinburgh College, Borders College, four local authorities and industry partners.

Food & Drink – the Council undertook numerous activities to promote the food & drink sector in East Lothian area during 2014/15, including:

- the Eat East Lothian spring promotion, which saw a 27% increase in the number of people participating;
- provision of a branded East Lothian Food & Drink stand at the BBC Good Food Shows in Birmingham and Glasgow, the Speciality Fine Food Show London and the Royal Highland Show
- publishing the 2014 East Lothian Food & Drink directory
- staging the 9th Annual Food and Drinks Competition at the Brunton Hall in November 2014

Broadband – the Council approved a Broadband Strategy in November 2014. Extensive consultation was carried out and the agreed strategy identifies clear points of action for the council, including the need to ensure that Macmerry industrial estate is linked to superfast broadband and the need to investigate methods for attracting infrastructure suppliers to deliver services in East Lothian.

Supporting and encouraging the development of land for business use – work started in 2014 on the extension to the Mid Road Industrial Estate Business Units in Prestonpans, funded from European Regional Development Fund. The development will provide seven new units for local businesses.

Performance

Growing our economy



Planning



Indicator	13/14	14/15	Target	Trend	Comparison
Business and industry local planning applications: average number of weeks to decision	24.6	8.9	10.7	↑	10.7 (Scotland) 9.8 (Similar councils)
Proportion of 18-24 year olds claiming Job Seekers Allowance	5.6 (March 2014)	3.7 (March 2015)	3.8	↑	3.8 (Scotland)
Number of businesses per 10,000 adults	376	374	380	↓	388 (Scotland)
Number of new business starts supported via Business Gateway	206	196	200	↓	

Growing our People – to give our children the best start in life and protect vulnerable and older people

Children and Young People

Context:

Services for children and young people in East Lothian are facing increasing demands. The number of referrals to the Children's Services has risen from 1,768 in 2004 to 3,258 by the end of 2014/15. The effects of benefit changes, an increasing population and greater public and multi-agency awareness about child safety and wellbeing contribute to the increasing workload.

Recent inspection reports show that the Council's fostering and adoption services, residential units and children's centre are performing well. The recent Community Planning Inspection of Services for Children evidences for us that we continue to work together effectively in our multi-agency delivery of effective services. Low rates of Looked After Children and a low rate of children on the child protection register provide evidence of the preventative and early intervention strengths of the service.

The Care Inspectorate concluded an inspection of Services for children and young people in East Lothian in April 2014. The inspection made a number of recommendations, which are being addressed by the Children's Strategic Partnership.

. The Council has been preparing to implement provisions contained within the Children and Young People (Scotland) Act 2014 that are aimed at improving outcomes for children and young people, including the provision that every child should have a 'Named Person'.

How we did in 2014/15:

Child protection - the number of children on the child protection register has remained fairly consistent. However, Initial Referral Discussions have steadily decreased over the past year and East Lothian has a lower number of repeat child protection registrations. Child Protection training has been delivered on an ongoing basis over the past year.

Inspection of Olivebank Child and Families Centre - Olivebank offers care and support to vulnerable children and their families. In partnership with Children 1st the Council has invested resources in outreach work to supplement the Centre's services. The Centre received a positive inspection report from the Care Inspectorate in July 2014.

Looked After Children in East Lothian are increasingly being looked after in a community setting rather than in residential care. The use of community care leads to better outcomes for children and comes at a far lower cost than residential care. East Lothian Council is making greater use of formal kin care (where children are legally placed in the custody of friends or relatives) and informal kin care arrangements.

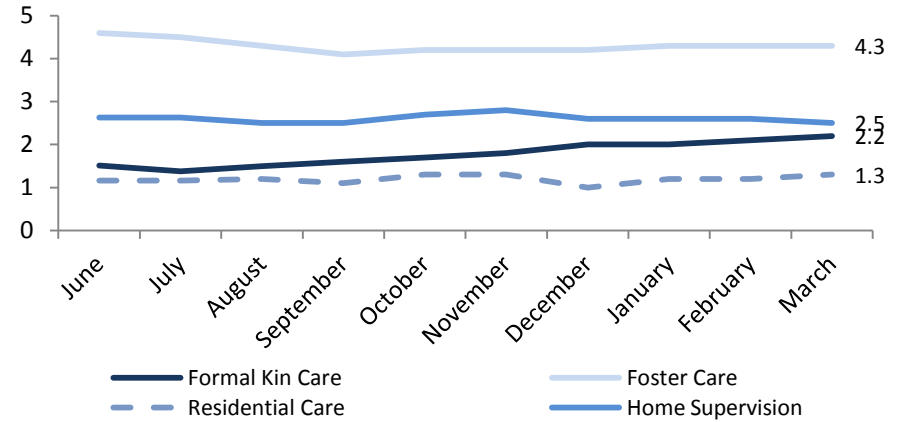
The Local Government Benchmarking Framework provides a family group of similar councils that the council can use to compare how well it is performing. East Lothian Council looks after a relatively high proportion of children in a community setting compared to other councils in its family group.

Performance

Children's Wellbeing



Children in care, by type of care, as a rate per 1,000 children aged 0-17, June 2014-March 2015



Indicator	12/13	13/14	Target	Trend	Comparison
% of looked after children being looked after in the Community	86%	88%	91%	↑	91% (Scotland)

Local Government Benchmarking Framework cost indicators:

Indicator	12/13	13/14	Lowest in Scotland	Highest in Scotland	Comparison
The Gross Cost of "Children Looked After" in Residential Based Services per Child per Week	£2,478	£2,503	←—————→		£3,098 (Scotland)
The Gross Cost of "Children Looked After" in a Community Setting per Child per Week	£310	£311	←—————→		£265 (Scotland)

Key: East Lothian Council Scottish Median (average)

Education

Context:

Education is fundamental in shaping a child's life. Getting a good education improves the likelihood of earning a higher income, enjoying better health and living longer. In December 2014 there were 8,116 pupils in 35 primary schools and 5,600 pupils in 6 secondary schools in East Lothian.

Improving attainment is one of the four areas the Council will focus on following the review of the Council Plan carried out in October 2014. As well as looking to improve pupil attainment across all levels there are several issues which will require particular focus.

Improving attainment among pupils from deprived areas – pupils living in deprived circumstances tend to attain lower qualifications than other pupils.

Closing the gap between the highest and lowest attaining pupils – the highest attaining 20% of pupils in East Lothian achieved a tariff score that was more than ten times greater than that achieved by the lowest attaining 20%

Gender differences in attainment – girls consistently perform better than boys in relation to literacy at primary and secondary school.

How we did in 2014/15:

600 hours of Early Learning and Childcare – the Council has implemented the Scottish Government's commitment to provide 600 hours of Early Learning and Childcare to eligible 2 year-olds and all 3 and 4 year olds.

Teacher numbers – the Council maintained the overall number of teachers at the same level as the previous year.

Youth achievement – the number of young people achieving Duke of Edinburgh and Saltire Awards has continued to increase. In 2014/15 there were 309 new entrants to the Duke of Edinburgh award (Bronze – 231 / Silver – 60 / Gold -18. The Saltire Award Ceremony in March where young people were presented with their certificates by the Provost was organised by the Saltire Ambassadors who are all volunteers under 25 yrs of age themselves.

Reading – the Library service has worked with parents and schools to promote reading through class visits and via the national Summer Reading challenge during the summer holidays. The number of class visits to libraries in 2014/15 increased by 36% from the previous year, while the number of children completing the Summer Reading challenge increased by 15%. The library service also provided 739 bookbug sessions for babies and pre-school children in 2014/15.

Attainment – four new measures of attainment were introduced in Scotland during 2014/15. The measures are:

- Increasing post-school participation (shown as the percentage of School Leavers in a Positive Destination)
- Improving attainment in literacy and numeracy
- Improving attainment for all
- Tackling disadvantage by improving the attainment of lower attainers relative to higher attainers

Overall, attainment and post school participation in East Lothian has improved over the five-year period to 2014. Further improvements still need to be made in Literacy and Numeracy at SCQF Levels 5 and 6 or better and overall in the Middle 60% attaining grouping to bring East Lothian's performance more in line with the Virtual Comparator.

East Lothian's performance across the four measures in 2014 is typically higher than the national trend with the exception of the percentage of school leavers in positive destinations. The Council can also compare its performance against a 'virtual comparator', which is a group of pupils from elsewhere in Scotland that have similar characteristics to those of pupils in East Lothian. Performance in relation to the Virtual Comparator is typically in line with or lower than its comparator with the exception of the total average tariff scores of the Lowest attaining 20% and Highest attaining 20% groups and the percentage of school leavers attaining both Literacy & Numeracy at SCQF Level 3 and 4 or better which is higher.

These figures relate to the results achieved by pupils sitting exams in spring 2014. A report on the results achieved in spring 2015, was presented to the Education committee on 22nd September 2015: http://www.eastlothian.gov.uk/download/meetings/id/16931/02_summary_of_attainment_in_scottish_qualifications_authority_sqa_examination_results_in_east_lothian_schools_for_the_year_ending_june_2015

The 2015 National Qualification results show an improvement over previous year's results at most levels, for example:

- pass rates for National Qualifications 2 to 4 are consistently at 100% in East Lothian in 2015.
- pass rates at National 5 remain relatively static in East Lothian in 2015 with a slight drop of 0.26% on the previous year
- pass rates at SCQF Level 6 or above (Higher) in 2015 are up by 3.5% on the previous year
- pass rates at SCQF Level 7 or above (Advanced Higher) in 2015 are up by 2.75% on the previous year
- the percentage of Fifth Year pupils gaining three or more awards at SCQF Level 6 or above (Higher) increased by 6.08% in 2015 and shows an improving trend in East Lothian over the last four years
- the percentage of Sixth Year pupils gaining 1 or more awards at SCQF Level 7 or above (Advanced Higher) decreased by 1.87% in 2015 and shows an overall improved trend in East Lothian over the last four years.

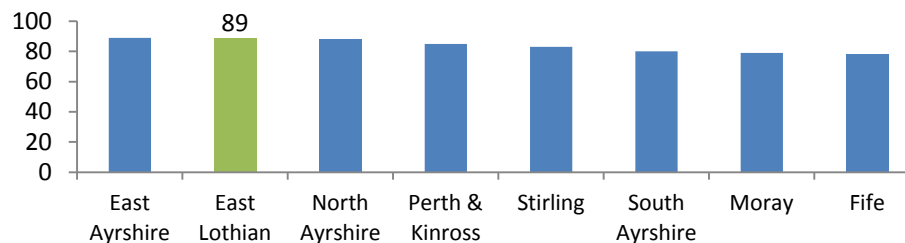
Performance:

Education



Indicator	12/13	13/14	Target	Trend	Comparison
Proportion of school leavers entering positive destinations	89.9	92.2	93.2	↑	92.6 (Scotland) 93.2 (Virtual comparator)
Average tariff score of pupils from the most deprived 30% of East Lothian	487	409	416	↓	629 (Scotland) 416 (Virtual comparator)
Average tariff score of the lowest attaining 20% of school leavers	139	179	174	↑	163 (Scotland) 174 (Virtual comparator)
Average tariff score of the lowest attaining 20% of pupils looked after away from home	47	134	118	↑	25 (Scotland) 118 (Virtual comparator)

% of adults satisfied with local schools, East Lothian compared to its 'family group' of similar councils, 2014



Local Government Benchmarking Framework cost indicators:

Indicator	12/13	13/14	Lowest in Scotland	Highest in Scotland	Comparison
Cost Per Primary School Pupil	£4,522	£4,185	←—————→		£4,734 (Scotland)
Cost per Secondary School Pupil	£6,161	£5,869	←—————→		£6,532 (Scotland)
Cost per Pre-School Education Registration	£2,664	£2,800	←—————→		£3,008 (Scotland)

Key: East Lothian Council Scottish Median (average)

Protecting Vulnerable and Older People

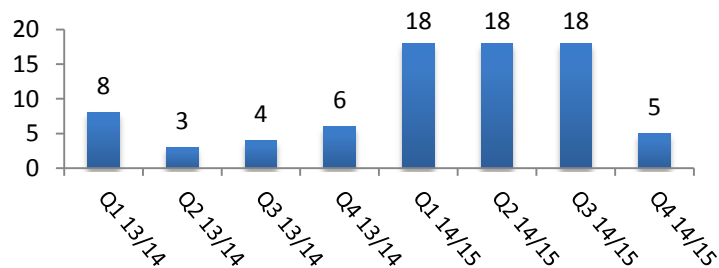
Context:

East Lothian's population is rising quickly and people are living longer, meaning we face greater demands and more acute levels of need in the population. Public bodies are also facing their greatest financial challenge in a generation. Doing nothing is therefore not an option. Equally, while working more efficiently will yield economies, the extent of the challenge we face will require a more fundamental rethink and transformation of our services.

Services for older people and vulnerable adults are facing particular challenges including:

Delayed discharge – the national target for delayed discharge performance is that there should be no one waiting more than 2 weeks for discharge from hospital. Until April 2015 the target was 4 weeks. East Lothian has struggled to meet these targets.

Number of delayed discharge patients waiting over 4 weeks, quarterly, 2013/14 – 2014/15



Ageing population – the population aged over 75 is forecast to increase significantly in East Lothian. The ageing population will bring increased pressures upon health and social care services, which will need to be delivered differently to cope with the anticipated demand.

Health & Social Care Integration – separate systems of health and social care can no longer adequately meet the needs of increasing numbers of people who are living into older age, often with complex, long-term conditions, and who need joined up services. Integration of health and social care services is intended to provide a better service by improving joint working and the allocation of resources between health and social care.

How we did in 2014/15:

Health & Social Care Integration – the Council and NHS Lothian established a shadow Health and Social Care Partnership in East Lothian in 2014 and worked hard to develop an integration scheme, which was approved by the Scottish Government in March 2015. The scheme sets out how NHS health services will be integrated with Council social services and details how the new Integrated Joint Board which will have responsibility for the new integrated service will operate.

Adult protection – the Council and its partners have established a Public Protection Team which works in a more integrated way to strengthen public protection practice. The Public Protection Team aims to support operational staff across partner agencies, by providing a level of expert advice and promoting consistency of practice.

Carers – the Health & Social Care Partnership recognises that we need to ensure carers remain in good health, and that their health-related quality of life does not deteriorate as a result of their caring responsibilities. 165 new carer’s assessments were conducted during 2014/15.

Emergency hospital admissions – East Lothian has a lower rate of emergency hospital admissions than the Scottish average. However, the rate is higher than the Lothian average and people from East Lothian endure longer stays in hospital. For this and for a range of other markers of poorer outcomes such as multiple hospital admissions, readmissions and place of care in last six months of life, the picture varies significantly across localities and we will focus on these differences as we plan services more locally.

Delayed discharge – the Policy & Performance Review Committee received a report relating to the issue of delayed discharge in April 2015. The report noted that the main causes of an increase in incidents of delayed discharge in East Lothian during 2014/15 related to:

- difficulties faced by care providers in staff recruitment and retention, and;
- a lack of capacity within the Council to speedily assess people in hospitals outside East Lothian.

The Health and Social Care Partnership has been working actively to address this problem. The Director of Health and Social Care chairs a delayed discharge task group and a delayed discharge action plan has been in place since September 2014 and is regularly updated and reviewed.

Actions taken to date include:

- Opening of 20 step down beds in Crookston Care Home
- Establishment of the Hospital at Home service which has expanded into a responsive 7 days a week service
- Supporting care homes to address concerns and receive admissions
- Support to the emerging social enterprise for home care.

A key element of the approach is to improve our capacity to prevent admissions by funding additional capacity in the Emergency Care Service and establishing ELSIE (East Lothian Service for Integrated care for the Elderly).

Home care – home care service users received a satisfaction survey in February 2015. In relation to the overall satisfaction of the service received, 73% felt very satisfied, 22% were satisfied, 1% felt neither and 4% were unanswered. The feedback and comments are being addressed through the service user newsletter and a service user engagement/coffee morning is planned so results can be fed back and discussed

Telecare – the Council conducted a survey of telecare users in February 2015. The survey found that 96% of users were satisfied with the service. In terms of performance, the Council answered 97.3% of telecare calls within 1 minute (against a target of 97.5%) and 99.6% within 3 minutes (against a target of 99%).

Performance:

**Healthier living,
independent living
and community care**



Indicator	13/14	14/15	Target	Trend	Comparison
Number of delayed discharge patients waiting over 4 weeks (quarterly average over the year)	5.25	14.75	0	↓	-
Percentage of care at home clients (aged 65+) receiving evening / overnight service	50.2 (March 2014)	52.3 (March 2015)	-	↑	-
Percentage of care at home clients (aged 65+) receiving a service at weekends	86.6 (March 2014)	88.6 (March 2015)	-	↑	-
% of people 65+ with intensive needs receiving care at home	39.4%	39.7%	34.7%	↑	34.7% (Scotland)
% of Adults satisfied with social care or social work services	65%	78%	55%	↑	55% (Scotland)

Local Government Benchmarking Framework cost indicators:

Indicator	12/13	13/14	Lowest in Scotland	Highest in Scotland	Comparison
Older Persons (Over65) Home Care Costs per Hour	£9.70	£13.01	←—————→		£20.25 (Scotland)
SDS spend on adults 18+ as a % of total social work spend on adults 18+	£2.93	£4.13	←—————→		£6.40 (Scotland)
Residential costs per week per resident for people aged 65 and over	£546	£410	←—————→		£368 (Scotland)

Key: East Lothian Council  Scottish Median (average) 

Growing our Communities – to give people a real say in the decisions that matter most and provide communities with the housing, transport links, community facilities and environment that will allow them to flourish

Housing

Context:

The East Lothian Local Housing Strategy 2012-2017 outlines how the Council plans to address issues relating to housing, homelessness, housing support and fuel poverty. The strategy outlines a range of actions, which are currently being implemented by the Council.

Demand for new housing in East Lothian is very high. However, there is a limited supply of land for new housing in the area. Several potential new sites for housing developments are being assessed and consulted upon as part of the development of the new Local Development Plan.

The East Lothian Local Housing Strategy 2012-17 notes that 456 new homes per annum need to be built in East Lothian to meet demand. However, economic conditions meant that only 330 houses were completed in East Lothian in 2013/14. Increasing the supply of affordable housing is a key priority for the Council.

Other key priorities for the Council's Community Housing Service include maintaining tenant satisfaction, continue with the council housing modernisation programme with the aim of bringing all houses up to the Scottish Housing Quality Standard, ensure that repairs are carried out to the highest standards as quickly as possible and reduce the level of rent arrears.

How we did in 2014/15:

Affordable housing – the Council has recently seen 41 new homes being handed over at the Pinkie Mains site in Musselburgh. 14 more homes at Monktonhall Terrace in Musselburgh were also handed over in April 2015. The Council has also recently opened 20 amenity homes at Victoria Park in Haddington, four of which are built to wheelchair accessible design. The Council house modernisation programme provided 454 new kitchens and 262 new bathrooms in 2014/15.

Rent arrears – while there is a significant amount of work to do to achieve agreed collection targets, recent results are very encouraging and are demonstrating that the measures put in place to manage rent collection more effectively and to achieve targets are proving successful. Whilst it may take some time to reverse the trends of recent years, the service improvements and collaborative working arrangements being developed give confidence that aspirations can be met.

Fuel poverty – in December 2014 the Council, carried out an intensive energy efficiency programme targeting Prestonpans, which is the worst affected area in terms of fuel poverty. Additional insulation and energy reduction measures as well as information and advice were provided.

Rents – East Lothian’s Council house rents are among the lowest in Scotland. For example, the weekly rent for a 2 apartment Council house in East Lothian is £53.94 compared to the Scottish average of £68.54. The weekly rent for 4 apartment Council house in East Lothian is £55.02 compared to the Scottish average of £75.69.

Tenants were consulted upon their views about the proposed rent increase for 2014/15:

- 83% thought the Council was proposing a fair rent increase
- 88% said they thought their rent is good value for money
- 94% agreed that their rent money should be used to pay for the following key areas: service delivery, modernisation of council houses and delivery of new affordable homes.

Scottish Housing Quality Standard – The Council is committed to meeting the target of 100% of council houses meeting the Scottish Housing Quality Standard. At the end of March 2015 81.6% of our properties met the Standard, compared to 71.4% in March 2014. Just over 10% of our properties have been given an exemption or abeyance either because the Council is unable to carry out required work or if a tenant refuses upgrade work for personal reasons. The programme of work to bring remaining houses up to the standard will co-ntinue in 2015/16.

Performance:

Housing & Homelessness



Indicator	13/14	14/15	Target	Trend	Comparison
Percentage of reactive repairs carried out in the last year completed right first time	82.5	82	85	↓	87.59% (Scotland)
Average length of time (days) in temporary or emergency accommodation	143.7	136.7	-	↑	113.45 (Scotland)
Percentage of council dwellings that meet the Scottish Housing Quality Standard	71.4%	81.6%		↑	90.25% (Scotland)
Average length of time taken to complete emergency repairs	6.4 hours	5.4 hours	24 hours	↑	6.08 (Scotland)
Average length of time taken to complete non-emergency repairs	17.4 days	14.8 days	23 days	↑	9.82 (Scotland)
Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year	9.3%	9.1%	6.3%	↑	6.3% (Scotland)
Percentage of rent due in the year that was lost due to voids	1.06%	1.11%	1.5%	↓	1.13% (Scotland)

Transport

Context:

Transport is fundamental to the maintenance of today's lifestyle whether it is for personal work or leisure or for the delivery of the goods and services necessary to sustain this lifestyle. The overall vision for the Local Transport Strategy is that East Lothian will have well-connected communities with increased use of sustainable transport to access services and amenities.

Maintaining the highest possible levels of road safety remains a key priority for the Transport service. Other priorities include:

- [Reducing the number of single person car journeys](#) – almost half of all journeys to work in East Lothian are conducted in cars containing one person.
- [Improving access to public transport](#) – some areas of East Lothian are well served by public transport; however, people in rural areas and areas to the east of the county find public transport less frequent and more difficult to access.

How we did in 2014/15:

[Road safety](#) – a number of road safety measures have been put in place across. These include the banning of vehicles near some primary schools at peak times (a practice that has been adopted by other councils, and the introduction of 20mph speed limits where there is community support, for example in parts of Dunbar, North Berwick, Tranent and Cockenzie.

[Rail and bus services](#) – East Lothian Council and train operator ScotRail signed a concordat in August 2014 to work together to maintain and enhance rail services in the area. The concordat will encourage economic growth, getting people to work, connecting communities and businesses, and opening up leisure opportunities.

The East Lothian bus forum has been established to support dialogue between the Council and bus operators. A new supported bus service tendering exercise took place which will result in improved local bus services operating throughout the county from April 2015.

[North Berwick Car Parking Strategy](#) – the Council agreed a three year strategy to improve parking provision in North Berwick following consultation with local residents. The public consultations showed that there was support for a number of developments relating to car parking in North Berwick including: additional parking provision being put in place at the Upper Glebe, keeping the School Road as a one way, retaining the seasonal restriction for parking in some areas, that there be formal designated places made available for ice cream vans, and that restrictions be introduced to restrict overnight parking.

Performance:

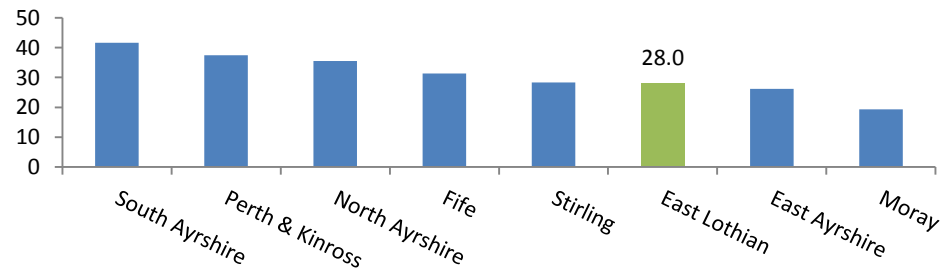
Transport, roads and lighting



Indicator		12/13	13/14	Target	Trend	Comparison
Proportion of roads in need of maintenance:	- A class roads	26.2%	28%	28.7%	↓	28.7 (Scotland)
	- B class roads	33.3%	34.1%	35.2%	↓	35.2 (Scotland)
	- C class roads	28.7%	29.7%	36.6%	↓	36.6 (Scotland)
	- Unclassified roads	33.2%	29.6%	39.4%	↑	39.4 (Scotland)

East Lothian Council performed relatively well in comparison to similar councils in relation to the proportion of roads that require maintenance.

Percentage of A class roads in need of maintenance, East Lothian compared to its 'family group' of similar councils, 2014



Local Government Benchmarking Framework cost indicators:

Indicator	12/13	13/14	Lowest in Scotland	Highest in Scotland	Comparison
Cost of maintenance per kilometre of roads	£11,911	£11,632			£6058 (Scotland)

Key: East Lothian Council Scottish Median (average)

Communities

Context:

Communities need to be supported to ensure they have the capacity to flourish. The Council is committed to ensuring that communities are empowered to develop strategies and Local Community Plans tailored to their needs and that decision making is devolved to the most appropriate local level. The Council is committed to, and has been developing, a range of ways in which to engage effectively with East Lothian's people and communities in order to better develop services around their needs.

One of East Lothian's strengths is the strong sense of community in each of its towns and villages. The projected increase in population with significant housing developments being planned across the county could threaten this sense of community. Therefore, new settlements or significant additions to existing communities should be accompanied by the community infrastructure required to make viable, balanced and sustainable communities.

How we did in 2014/15:

The Council has established six Area Partnerships to bring local elected members, representatives of Community organisations such as Community Councils and other community organisations together to prepare Area Plans. (see page 26 below)

The Council, Police Scotland and local communities continue to work in partnership to reduce crime and the fear of crime and crime levels continue to fall and detection rates are increasing. The Council funded police teams work very closely with the Council's Safer Communities

Team to tackle anti social behaviour and problems caused by anti social behaviour persist in some East Lothian communities. 2014/15 saw significant reductions in anti social behaviour incidents across East Lothian. The latest Scottish Housing Regulator report showed that East Lothian Council had 84.9% resolution to Council House anti social behaviour cases, above the Scottish average of 83.2%

2014-15 was the first full year of operation for the Coastal Communities Museum in North Berwick. The museum – the realisation of a long held community ambition to have an active and busy museum for the local community and tourists alike – received 5016 visits in 2014/15. The museum is managed and run by the Coastal Communities Museum Trust and their volunteers with support from the East Lothian Council Museums Service team. East Lothian Council meets property and maintenance costs for the building, which is shared with the local library.

East Lothian was at the heart of the John Muir Festival in April 2014 with the John Muir Way, a new coast to coast walk across Scotland from Dunbar to Helensburgh, being launched at John Muir's Birthplace in Dunbar on 21st April 2014. Around 3000 people attended the launch of and many more took part in John Muir Festival events that took place across the region and elsewhere in Scotland throughout the spring. The Festival had a positive effect on the numbers visiting John Muir's Birthplace and on awareness of John Muir and his legacy.

Performance:

Services built around people and communities



Cultural & Community Services



Crime, safety, anti-social behaviour and criminal justice social work



Indicator	13/14	14/15	Target	Trend	Comparison
Number of attendances at pools	342,668	415,180	440,000	↑	
Attendances at indoor sports and leisure facilities	562,149	665,028	520,000	↑	
% of adults satisfied with libraries	94%	90%	81%	↓	81% (Scotland)
% of adults satisfied with museums and galleries	88%	87%	76%	↔	76% (Scotland)
% of adults satisfied with parks and open spaces	96%	93%	86%	↓	86% (Scotland)
% of adults satisfied with leisure facilities	93%	88%	78%	↓	78% (Scotland)

Local Government Benchmarking Framework cost indicators:

Indicator	12/13	13/14	Lowest in Scotland	Highest in Scotland	Comparison
Cost Per Library Visit	£2.44	£2.48	←—————→		£2.70 (Scotland)
Cost of Museums per Visit	£2.98	£2.74	←—————→		£3.72 (Scotland)
Cost per attendance at Sports facilities	£4.56	£4.15	←—————→		£3.88 (Scotland)
Cost of Parks & Open Spaces per 1,000 Population	£56,440	£52,486	←—————→		£30,738 (Scotland)

Key: East Lothian Council  Scottish Median (average) 

We asked, you said, we did...

Beach Wheelchair Project

We asked...

On behalf of The Beach Wheelchair Project team and in collaboration with North Berwick Community Centre and the North Berwick Coastal Area Partnership, we asked for your feedback on a proposal to bring Beach Wheelchairs to the beaches of the North Berwick Coastal area and eventually throughout Scotland.



113 responses were received, with 91% of respondents agreeing that providing Beach Wheelchairs would be a good idea. Over 85% of respondents stated that either they, their child or person they care for would 'definitely' or 'most likely' use these Beach Wheelchairs if they were available. Several qualitative comments were also provided, with respondents acknowledging this provision would promote equal opportunity, strengthen inclusiveness and overall improve quality of life through allowing enjoyment of a simple, but beautiful and treasured experience of accessing the sand and beach. Constructive feedback and suggestions were also put forward in qualitative responses.

We did:

On behalf of the Beach Wheelchair Project, a funding application was submitted (to the BIG lottery) taking into account the potential interest and possible usage of the local community which could be gauged from the survey. Future consideration will be given to particular beaches and coastal areas referred to which have current regular visitation and/or where respondents expressed they would like to visit more than they do at present.

As a result of the hard work of the Beach Wheelchair Group and the successful fundraising, three Beach Wheelchairs have been purchased, which are housed in a new Beach Hut within North Berwick Harbour, and an online booking system has been established.



The Environment

Context:

The quality of the natural environment is one of East Lothian's greatest assets. There is a fundamental link between people and place which recognises that looking after our natural and built environments has positive benefits on the health and wellbeing of our communities.

The Council is committed to providing a high quality environment, improving the wellbeing and quality of life of our communities and promoting a sustainable lifestyle, and will work with, encourage and support communities to become actively engaged with their local environment.

The Council faced two challenges in 2014/15.

Recycling – the requirement to meet the Scottish Government's waste recycling target is a major challenge for the Council. The target for the amount of waste sent to landfill has increased to 60% by 2020.

Air quality in Musselburgh – the results of the 2013 Air Quality Progress Report indicate that air quality targets are being met across the majority of East Lothian. However, monitoring of Nitrogen Dioxide in Musselburgh confirmed concentrations at various locations in Musselburgh High Street.

How we did in 2014/15:

Recycling – in order to meet the new waste recycling target and new legislative requirements the Council adopted an ambitious Waste Strategy (24th June 2014). The strategy set out ambitious plans to introduce weekly food waste collection and fortnightly refuse and recycling collections as the basis for major increases in waste recycling. The new refuse collection system was introduced in April 2015. Every household now has access to weekly food waste collection, fortnightly glass, cans, plastics, paper and cardboard recycling, fortnightly garden waste collections and fortnightly residual/non recyclable waste collection. The new scheme also rolled out a dedicated trade waste collection service including recycling to 1500 customers.

Air quality – in order to improve air quality the Council has declared an Air Quality Management Area (AQMA) in Musselburgh. The AQMA covers the main High Street from the junction with Newbigging to the Junction at Bridge Street. An air quality action plan has also been developed to help improve air quality.

Performance:

The environment and waste management



Countryside & Leisure



Protective services



Indicator	13/14	14/15	Target	Trend	Comparison
Number of vehicles accessing recycling centres	237,790	333,651	220,000	↑	
% of abandoned vehicles uplifted within 14 days of being reported	100%	100%	100%	-	
Cleanliness Score	93.5%	96.3%	96.1%	↑	96.1% (Scotland)
The % of total waste arising that is recycled	45.1%	42.3%	42.2%	↓	42.2% (Scotland)
% of adults satisfied with refuse collection	94%	92%	83%	↓	83% (Scotland)
% of adults satisfied with street cleaning	87%	84%	74%	↓	74% (Scotland)

Local Government Benchmarking Framework cost indicators:

Indicator	12/13	13/14	Lowest in Scotland	Highest in Scotland	Comparison
Net cost per Waste collection per premises	£63.24	£70.98	←—————→		£61.32 (Scotland)
Net cost per Waste disposal per premises	£76.65	£56.75	←—————→		£91.75 (Scotland)
Net cost of street cleaning per 1,000 population	£13,009	£16,041	←—————→		£16,260 (Scotland)
Cost of trading standards per 1,000 population	£5,920	£6,018	←—————→		£5,609 (Scotland)
Cost of environmental health per 1,000 population	£16,678	£13,802	←—————→		£18,322 (Scotland)

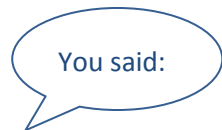
Key: East Lothian Council  Scottish Median (average) 

We asked, you said, we did...

Charges for Dog Waste Bags

We asked...

About people's views on charging for dog waste bags that the Council had previously provided to dog owners free of charge.



In the 2014 East Lothian Citizens' Panel winter survey, members were asked for their views on the provision of dog waste bags. Of the 659 who answered this question, 89 (14%) felt the Council should no longer provide dog waste bags, 158 (24%) felt that the Council should continue to provide dog waste bags free of charge, and 408 (62%) of respondents supported the idea of the Council continuing to provide dog waste bags, but with a nominal charge being applied to cover costs and to help fund initiatives related to responsible dog ownership.

We did:

East Lothian Council agreed to introduce a charge of £1 for a pack of 50 dog waste bags, commencing 1 April 2015. Part of the income derived will be used to cover the costs of bags, ordering, delivering and distribution. The remainder of the income will be used to help fund initiatives related to responsible dog ownership. The charge will be reviewed on an annual basis.

Growing the Capacity of our Council – to deliver excellent services as effectively and efficiently as possible

Services Built Around People and Communities

Context:

A key feature of the Council’s approach is that services should be built around people and communities; not professions and organisations. The Council is committed to, and has been developing, a range of ways in which to engage effectively with East Lothian’s people and communities in order to better develop services around their needs.

One of the ways in which this ambition can be measured is through tracking the responses to public survey questions such as whether people agree that they can influence decisions. The latest Citizens Panel showed that 22% of respondents to the survey agreed that they were able to influence decisions. The result for East Lothian is similar to the Scottish average (from the Scottish Household Survey). This will act as a benchmark for future surveys.

How we did in 2014/15:

Local Area Partnerships – six Area Partnerships have been established and have begun the work to develop Area Plans by identifying the key issues and priorities for their areas. The Area Partnerships have received devolved budgets (from April 2015) to allocate to roads, amenity services (e.g. parks, street cleaning etc.) and other local priorities. The Council has appointed four Area Managers to support the delivery of the Area Plans.

Citizens’ Panel – established in summer 2014, the East Lothian Citizens’ Panel now has in the region of 1,200 registered members who are approached twice a year to complete a Panel questionnaire. To date, members have been invited to respond to three main Panel questionnaires and have also been invited to get involved in other consultation and engagement activities. Topics covered in Panel questionnaires have involved transport, community safety, health and wellbeing, recycling and satisfaction with Council services.

Performance:

Services built around people and communities



Indicator	13/14	14/15	Target	Trend	Comparison
% of respondents who strongly agree/agree East Lothian Council keeps people well informed about the services and benefits it provides	-	61%	61	-	
% of respondents who strongly agree / agree they can influence decisions affecting their local area	-	22%		-	

Customer Feedback

The Council complies with the model complaints handling procedure for local authorities introduced by the Scottish Public Services Ombudsman:

Stage 1 (Frontline Resolution) – Complaint dealt with at point of service within 5 working days

Stage 2 (Investigation) – Complaint investigated; acknowledged within 3 working days and response provided within 20 working days

If complainants remain dissatisfied after completing this process then they have a legal right of appeal to the SPSO. Those complaining about social work issues have the option of asking for their complaint to be referred to a Complaints Review Committee (CRC).

For the year 2014/2015, East Lothian Council received **1205** complaints, a significant increase on the **961** complaints received in 2013/2014. 421 of these complaints related to a campaign about a single issue; the proposal for a marine energy park at the Cockenzie Power station site and the role of East Lothian Council in this matter.

If this is counted as a single issue, the council received a total of **785** complaints, an 18% decrease from last year. This was made up of:

Stage 1: 425 complaints

Stage 2: 360 complaints

Over half (56%) of the Stage 1 complaints were not upheld, only 25% were upheld and 19% were partially upheld.

Just under 40% of Stage 2 complaints were not upheld, 30% were upheld and 31% were partially upheld.

The service areas with the highest number of complaints over the year were:

- Economic Development* (*taking into account the Cockenzie complaint campaign)
- Housing Maintenance
- Transportation
- Waste Services

It is positive to note there was a 30% decrease in the number of housing maintenance complaints progressing to the investigation stage this year, meaning more complaints are being resolved at the front line.

There were drops in total numbers of complaints for the following services:

- Community Housing – down from 90 in 2013/14 to 52 in 2014/15
- Customer Services – down from 63 in 2013/14 to 14 in 2014/2015
- Landscape and Countryside – down from 88 in 2013/14 to 41 in 2014/15
- Libraries – down from 57 in 2013/14 to 18 in 2014/15

The Council received 308 compliments and 105 comments. The service areas receiving the highest number of compliments were:

- Adult Wellbeing
- Customer Services
- Housing Maintenance
- Landscape & Countryside
- Libraries

Effective, Efficient and Excellent Services

Context:

Given the diminishing resources that are available and the growing demand for services the Council continues to make every effort to improve performance and provide better services at lower cost.

Key issues the Council had to address in 2014/15 included:

Reductions in funding – with increasing demand for services and additional burdens arising from legislation the Council faces reduced funding in real terms over the next few years.

Change management – the Council needs to adapt the way in which it provides services to meet the challenges that it faces. The challenge lies in managing the necessary changes in such a way that residents of East Lothian continue to receive the services they need.

The changing way that citizens access services – people increasingly access services digitally and expect to be able to access Council services in the same way. Providing services in this manner is often less expensive than other methods; however, it is critical that customers can also continue to access services in a way that meets their needs.

Public sector reform – the Council faces challenges arising from fundamental reforms to the structure of the public sector, including the creation of the national Police force, the integration of Health and Social care and the drive for a more outcome focused public sector with a focus on prevention and early intervention.

How we did in 2014/15:

What our auditors said:

‘The challenges faced by the Council to deliver services with less resources over the past five years have required careful management and monitoring. Public sector reform continues to gather pace against a backdrop of continuing financial pressures. The introduction of integrated health and social care partnerships, coupled with welfare reforms will require effective leadership and governance. We consider that the Council has so far progressed well in managing these changes.’

(KPMG, Annual audit report to the Members of East Lothian Council and the Controller of Audit, audit year ended 31 March 2015)

Call handling – the response rate to answering all calls within 20 seconds in 2014/15 was 58%, which is below our target of 70%. However, changes were made throughout the year to improve the efficiency of calls, which subsequently helped to improve the response rate. The addition of new services accessed via the Contact Centre has increased the overall volume and complexity of calls, which had an impact upon performance. The Council also measures the overall proportion of calls answered, which was 92% in 2014/15, above the target of 90%

Customer Service Professional qualification - during 2014/15, 11 employees graduated at all 3 levels of the qualification (i.e. Award, Certificate and Professional Development Award). Participation in the qualification has improved customer service and awareness within the Council and increased confidence in staff to deal with customers more appropriately.

Investors in People (IIP) – IIP is a standard that relates to good practice in the management of people. The Council applied for, and achieved, Investors in People accreditation in May 2014 and has established an action plan to further improve workforce development.

Performance:

Effective, efficient and excellent services



Indicator	13/14	14/15	Target	Trend	Comparison
Days lost per full time employee	8.6	10.3	9.2	↓	
Percentage of Council Tax due that was received by the end of the year	96.4	96.5	96.4	↑	
Percentage of invoices paid within 30 days of receipt	91.7	89.4	90	↓	
Proportion of operational buildings that are suitable for their current use	83.8	84.8	84.2	↑	

Local Government Benchmarking Framework cost indicators:

Indicator	12/13	13/14	Lowest in Scotland	Highest in Scotland	Comparison
Support services as a % of Total Gross expenditure	4.2%	4.11%	←—————→		5.07% (Scotland)
Cost of Democratic Core per 1,000 population	£22,479	£20,916	←—————→		£32,025 (Scotland)
The cost per dwelling of collecting Council Tax	£12.40	£12.48	←—————→		£12.13 (Scotland)

Key: East Lothian Council  Scottish Median (average) 

Scrutiny

East Lothian Council has two committees that perform the ‘scrutiny’ function: the Audit and Governance Committee and the Policy and Performance Review Committee. Scrutiny involves examining and monitoring the activity of the Council with the aim of improving the quality of services. Scrutiny ensures that executives are held accountable for their decisions, that their decision-making process is clear and accessible to the public and that there are opportunities for the public and their representatives to influence and improve public policy.

Each Committee receives regular monitoring reports that highlight issues that might need further scrutiny. The Audit & Governance Committee receives audit reports that show the results of investigations conducted by the Council’s auditors. The Policy & Performance Review Committee receives regular performance reports that demonstrate the extent to which the Council is achieving its goals.

The following table summarises some of the issues that the Audit & Governance Committee and Policy & Performance Review Committee have reviewed during 2014/15:

Audit & Governance Committee	Policy & Performance Review Committee
<p>Self Directed Support – November 2014 The report outlines the Council’s position in relation to the findings of Audit Scotland’s investigation into the progress of Scottish councils in relation to the implementation of the Self Directed Support Strategy.</p> <p>Risk Management Strategy – January 2015 The Committee reviewed the Risk Management Strategy, which dictates how the Council manages the risks that might prevent it from delivering its services.</p> <p>Scotland’s Public Finances – March 2015 Audit Scotland’s report ‘Scotland’s Public Finances’ outlines the financial challenges that local authorities in Scotland are facing. The Committee report provides an overview of the arrangements that the Council has established to address these challenges.</p>	<p>Fly tipping – September 2014 The report provided a breakdown of fly-tipping in East Lothian. The report identified the proportion of fly-tipping that is considered to be domestic waste and the proportion that is commercial waste.</p> <p>Rent arrears – November 2014 The report explained the success of measures the Council has undertaken to address the growing problem of rent arrears.</p> <p>Delayed discharges – January 2015 The number of people whose discharge from hospital has been delayed for more than 4 weeks increased in East Lothian during 2014/15. The report discussed the reasons why people suffered a delay and highlighted the measures that are being undertaken to improve the situation.</p>

Working Together to Achieve Agreed Outcomes

Context:

The Council is committed to renewing its efforts to ensure that all its services work together to meet common goals and to develop effective partnership working with other public sector bodies, the voluntary and public sectors and most importantly the people and communities of East Lothian.

Working together also refers to the Council working with other public sector agencies such as the NHS, Police Scotland and the Scottish Fire & Rescue Service, the third sector, the business sector and local communities to meet our ambition for East Lothian. We do that principally through The East Lothian Partnership – East Lothian’s Community Planning Partnership

The Accounts Commission reviewed community planning arrangements across Scotland (‘Community Planning: Turning ambition into action’, November 2014). Although the report found that aspects of community planning are improving, it noted that further work is required to target resources at priorities and shift resources towards preventative activity. The Accounts Commission found that community planning partnerships ‘do not yet know what a strategic approach to prevention will look like, and in many areas the evidence base for this is underdeveloped’.

How we did in 2014/15:

Partnership self-assessment – the East Lothian Partnership conducted a self-assessment to identify the Partnership’s strengths and weaknesses. The results of the self-assessment have been used to inform actions that are included within the Partnership Improvement Plan. Work is also underway to develop a self-evaluation framework for the Children’s Strategic Partnership

Musselburgh Total Place Pilot – the aim of the Pilot was to identify the resources and assets that the Community Planning Partners ‘invest’ in vulnerable families in the Musselburgh East and Carberry and Musselburgh West wards. Partners found that they needed to intervene at an early stage (e.g. ensuring that children attend school) to prevent families from suffering problems such as poor health and poverty.

What our auditors said:

‘The East Lothian Plan - Single Outcome Agreement (SOA) 2013... is based on a clear, evidence based understanding of the context of East Lothian. This has been developed from the new East Lothian Profile 2013 which has six ward profiles... The profile provides a good and well researched evidence base that outlines the challenges that the council and its partners face as well the strengths, assets and opportunities available in East Lothian.’

(Audit Scotland, Assurance and Improvement Plan, 2014-17)

Reducing Inequalities

Context:

The Council Plan includes a commitment to early intervention and tackling inequalities: “The focus has to be on prevention and early intervention to avoid crisis intervention. Over the next five years the Council will need to re-direct resources to priorities and the development of a preventative model of service delivery.”

However, whilst the Council Plan acknowledged the significance of tackling inequalities and doing so through increased focus on prevention and early intervention it lacked a robust statistical analysis to take this commitment forward. The East Lothian Plan: Single Outcome Agreement 2013-2023 (the SOA) approved by the East Lothian Partnership in November 2013 was based on an analysis of evidence of the extent of inequalities within and across East Lothian’s communities. Drawing on the Scottish Index of Multiple Deprivation (SIMD) and other national and local data sources the Profile provides substantial evidence of the levels of inequality in East Lothian.

Based on the evidence of growing levels of deprivation and relative inequality across East Lothian’s communities the SOA set one overarching priority: To reduce the inequalities across and within our Communities. The East Lothian Partnership is developing a framework for reducing inequalities through prevention and early intervention which will ensure that the Partnership focuses on this priority.

A review of the Council Plan carried out in October 2014 concluded that there needs to be a greater focus upon the areas of prevention and early intervention that make the greatest difference, including:

- Reducing unemployment, particularly youth unemployment and improving positive outcomes for school leavers
- Raising attainment in schools, particularly for pupils from more economically ‘deprived’ areas,
- Reducing inequalities and ensuring the most disadvantaged groups and communities, have access to services that maximise opportunities to break the cycle of poverty or mitigate the impact of deprivation
- Supporting the capacity of communities and voluntary organisations to show community resilience and maximise social capital

How we did in 2014/15:

East Lothian Council, working with public and voluntary sector partners developed a draft Tackling Poverty Strategy along with an action plan in 2012. The Strategy aims to help people to be more financially capable and less financially excluded and ensure they have better access to welfare, money and debt advice. However, these are actions that mitigate deteriorating or negative outcomes. Whilst reducing poverty or mitigating the impact of poverty is vitally important it is even more important to try to break the cycle of poverty by helping to create the conditions and opportunities for individuals to break out of poverty by reducing unemployment in East Lothian.

A key focus of the Council's approach to tackling poverty in 2014/15 has been to mitigate the impact of welfare reform in East Lothian.

- Successful implementation of the Scottish Welfare Fund paying Community Care Grants and Crisis Grants
- Distribution of almost £500,000 in Discretionary Housing Payment to mitigate the impact of Housing Benefits under occupancy
- Collaboration between the Welfare Reform Task Group (Council and DWP group to oversee the actions to mitigate the impact of welfare reform) and the Welfare Reform Reference Group (a wider group of partners and third sector groups)
- Progress in implementing the Digital Inclusion Strategy and Action Plan to improve access to digital services for people who may be otherwise excluded (e.g. provision of broadband and access to computers in community centres and libraries)
- Continued funding of the Haddington and Musselburgh Citizens Advice Bureaux and other agencies to provide welfare and money advice services.

A draft Integrated Impact Assessment toolkit has been prepared jointly with Midlothian Council, City of Edinburgh Council and NHS Lothian. Roll out of the new impact assessment will commence in autumn 2015 following further analysis of the approach.

Performance:

Prioritising prevention and promoting equality Tackling poverty



Indicator	13/14	14/15	Target	Trend	Comparison
Proportion of the highest paid 5% of employees that are female	51.4	51.9	50	↑	-
% of people who strongly agree/agree their local area is a place where people from different backgrounds get on well together	-	91	91	-	-
% of employees that are from Black or Minority Ethnic groups	-	1.1	1.7	-	-
Percentage of primary school pupils eligible for free school meals	14.6	11.3	14	↑	-
Percentage of secondary school pupils eligible for free school meals	10.9	8.6	10.5	↑	-

The Local Government Benchmarking Framework

The Local Government Benchmarking Framework brings together a wide range of information about how all Scottish councils perform in delivering better services to local communities. The Framework includes 55 performance indicators, which are displayed throughout this report. The results provide a comparison between East Lothian and every council in Scotland. This report includes the 2013/14 figures which were published in January 2015. These figures will be updated with the 2014/15 figures following their publication in December 2015.

Highlights from 2013/14

Satisfaction with services – citizens in East Lothian have a high level of satisfaction with Council services. The results for all eight satisfaction indicators fall within the top quartile.

Sickness absence – East Lothian has the 7th lowest level of sickness absence among Scotland's 32 councils. The rate of sickness absence in East Lothian fell from 10.1% in 2010/11 to 8.6% in 2013/14.

% of Council Tax collected – East Lothian collected 96.4% of the Council Tax it was due, compared to the Scottish average of 95.2%

Cost of support services – central support services make up a relatively low proportion of overall expenditure in East Lothian compared to the Scottish average.

Rent arrears – the Council has a relatively high level of arrears despite having some of the lowest rents in Scotland. The Council has established a range of initiatives to tackle the problem. The latest data demonstrates that the level of arrears has started to improve.

Average length of time taken to complete non-emergency repairs – East Lothian Council took an average of 17 days to undertake a non-emergency repair compared to a Scottish average of 10 days. The Council is reviewing its procedures for undertaking repairs and aims to improve performance with the introduction of mobile working.

Benchmarking exercises

East Lothian Council is participating in several benchmarking exercises, which aim to help councils understand why their performance in relation to the Local Government Benchmarking Framework indicators differs from one another. The Council is benchmarking its performance against a 'family group' of councils that have similar geographical or social and demographic characteristics to ensure that it compares like with like. Each family group includes eight local authorities. Benchmarking exercises that have been concluded or are currently underway include:

Subject	Findings
Roads	<p>Different operational models were identified, which might warrant further investigation. The use of decision-making matrices to target the areas of road most in need of maintenance was highlighted as being more effective than allocating funding for maintenance on a ward-by-ward basis. Road asset management planning was found to be effective in encouraging a longer-term strategy of prevention.</p> <p>The exercise identified significant differences in accounting, which undermined the comparability of the benchmarking data. The indicator on costs takes account of revenue expenditure; however, it transpired that many councils account for a large proportion of expenditure on road maintenance as capital.</p>
School leaver destinations	<p>The positive destinations pilot benchmarking exercise has been completed. Participants identified numerous different approaches to improve positive destinations; however, the exercise struggled to identify which approaches were most effective. The pilot exercise highlighted several areas in which more work needed to be done to identify and share good practice e.g. work experience programmes, school vocational programmes, partnership working etc.</p>
Charging for services	<p>The exercise identified over 1,000 different charges. In some areas the level of charge differed quite significantly between councils. The exercise highlighted several services that other councils charge for which East Lothian Council does not levy a charge. The results of the exercise were reported to the Council Management Team along with the draft Council Charging Policy and will be used by services when reviewing their charges.</p>
Council Tax	<p>The exercise is currently in progress and will focus upon:</p> <ul style="list-style-type: none"> • Self Service • Text messaging as a way of communicating • Debt recovery/Management • Channel Shift
Looked After Children	<p>The exercise is currently in progress.</p>

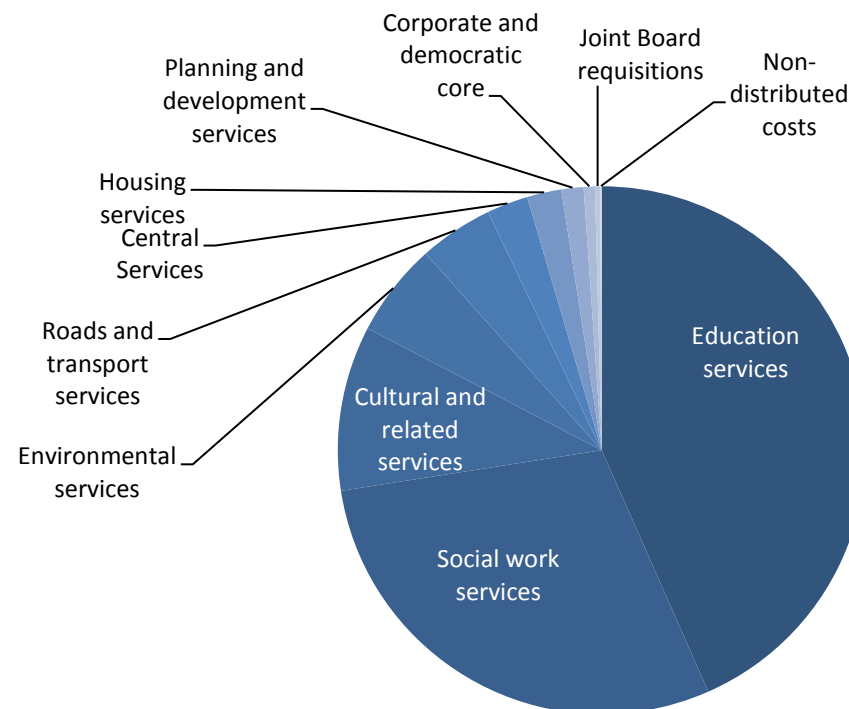
Council Finances

Where the money comes from (from 2014/15 Statement of Accounts)

	£m
Council Tax	£43,476
Non domestic rates	£25,172
Non ring-fenced government grants	£146,187
Capital grants and contributions	£20,319
Total	£235,154

Where the money goes:

Net expenditure by service (£,000s):	2013/14	2014/15
Central Services	£4,126	£5,333
Cultural and related services	£19,703	£21,235
Education services	£90,373	£91,240
Environmental services	£11,560	£12,074
Housing services	£4,064	£4,424
Joint Board requisitions	£200	£674
Local Authority Housing (Housing Revenue Account)	£3,314	(£782)
Planning and development services	£3,520	£2,849
Roads and transport services	£9,650	£9,533
Social work services	£62,855	£61,331
Corporate and democratic core	£1,326	£1,439
Non-distributed costs	£1,145	£197
Total cost of services	£211,872	£209,547
(Gains) / Losses on the disposal of non-current assets	(£1,173)	(£1,511)
Financing and investment income and expenditure (e.g. interest payable)	£19,956	£20,746
Taxation on non-specific grant income	(£224,852)	(£235,154)
(Surplus) / Deficit on the provision of services	£5,803	(£6,372)



Financial Performance for 2014/15:

Despite the challenging operating environment, the Council has delivered better than anticipated financial results for the year, with an increase in General Services usable reserves of £7.347m. This has been achieved through a combination of recurring and non-recurring savings, efficiencies or additional income including:

- Service reductions and efficiencies including efficient workforce management and a continued reduction in the cost of supplies and services;
- Non-recurring rebate relating to the 2012-13 Business Rate Incentivisation Scheme (BRIS);
- Reduction in the bad debt provision relating to outstanding Council Tax debt;
- Reduction in anticipated debt charges resulting from lower than planned capital expenditure

In keeping with recent years, the Council has continued to reduce its overall cost base through the delivery of efficiencies, including a significant programme of service reviews. In line with the Financial Strategy, the Council has developed a sustainable budget that reduces dependency on reserves to zero by 2017/18. Despite the improved results for 2014/15, the Council, in common with other public bodies, continues to face significant financial challenges with further reductions in public sector funding levels expected to continue until at least 2019/20.

Financial outlook:

In the medium term it is clear that the Council faces some very difficult financial decisions as a result of the following;

- Real terms reductions in the income it will receive from Scottish Government;
- Meeting our obligations from new legislative requirements e.g. Children and Young Persons Act and provision of Free School Meals;
- Responding to the challenges arising from recent and proposed UK benefit reforms;
- Increasing population and other demographic changes e.g. increased numbers of young and old, early years care/school rolls/elderly care;
- General price/inflationary pressures;
- Upward pressure on staff costs – particularly after a significant period of pay restraint and uncertain future pay settlements, but also arising from the likelihood of unfunded national insurance and superannuation cost increases;
- New statutory arrangements relating to the provision of Integrated Health and Social Care services;
- Political change/uncertainty – there are three back to back electoral events with Westminster, Holyrood and Local Government Elections due to take place between now and May 2017

The latest cash terms estimate of funding available to support council services is forecast to be a broadly flat-lined position from 2015-18. This funding is required to deliver a wide range of new legislative burdens as well as provide for contractual commitments including pay and pension contributions. Taking these inescapable commitments into account, in overall terms we have a real terms reduction in the resources being made available to deliver Council services.

Therefore it is clear that the Council is financially challenged such that it must reduce expenditure commitments or increase income, or some combination of both. Following on from a recent national Audit Scotland report, a benchmarking exercise was undertaken that helped inform a new Fees and Charges Policy that was approved by Council in December 2014. In future, it may be possible to introduce additional sources of income that would partially mitigate against expected funding shortfalls.

Notwithstanding this, a significant share of any funding shortfall is likely to have to be met through continued application of cost containment and cost avoidance measures. As far as possible, the Council is seeking to contain costs by becoming more efficient. However, the extent of the medium-term challenge we face suggests that more significant changes in how services are managed and delivered will be required whilst providing services in accordance with the Council Plan and SOA. This includes the Council paying due regard to the statutory obligations of the Equality Act 2010. Understanding the impact of financial decisions on all those within the community will help to ensure that decisions about future provision of services meet the needs of the community effectively.

Our Plans for 2015/16

The Council Plan was reviewed in 2014 taking account of the progress that had been made by the Council since the plan was first adopted in 2012. The review concluded that although the original priorities remained valid, evidence of inequality across East Lothian suggested that early intervention and tackling inequalities should be given a higher priority. The review of the Council Plan therefore highlighted the following priorities to help the Council achieve its aims over the next three years:

- Reducing unemployment, particularly youth unemployment and improving positive outcomes for school leavers, principally through the initiatives developed and supported by East Lothian works
- Raising attainment in schools, particularly for pupils from more economically 'deprived' areas, and providing a broader work based education experience through working with Edinburgh College and Queen Margaret University on initiatives such as the Academies
- Reducing inequalities and ensuring the most disadvantaged groups and communities, have access to services that maximise opportunities to break the cycle of poverty or mitigate the impact of deprivation; e.g. Children's early years initiatives and improving health and wellbeing for all age groups
- Supporting the capacity of communities and voluntary organisations to show community resilience and maximise social capital from community and social networks

Our plans for addressing the challenges and opportunities outlined in the Council Plan for 2015/16 onwards are outlined below:

Growing our Economy:

The East Lothian Economic Development Strategy outlines the Council's ambitions for economic development of the area between 2012 and 2022. The aims of the Strategy are:

- To increase the number of businesses in East Lothian with growth potential
- To increase the proportion of East Lothian residents working in and contributing to East Lothian's economy
- To be the best place in Scotland to set up and grow a business
- To be Scotland's leading coastal, leisure and food and drink destination
- To build on our proximity to Edinburgh to encourage study, work and spend in East Lothian
- To provide high quality employment pathways for East Lothian's workforce
- To become Scotland's most sustainable local economy.

Priorities for 2015/16 include implementing the Delivering for East Lothian's Young Workforce plan, ensuring the Local Development Plan includes land identified for business development opportunities and progressing the plans for the South East Scotland City Region Deal.

Growing our People:

Children & Young People:

The East Lothian Inter-agency Child Protection Improvement Plan 2015-18 provides a clear focus on providing better outcomes for vulnerable children, young people and their families across East Lothian. The Improvement Plan can be found on the [East and Midlothian Public Protection Committee website](#).

The Children's Strategic Partnership is developing a new Integrated Children's Services Plan which will be completed by December 2015.

East Lothian and Midlothian Councils are in the process of establishing a local Child Protection Disability Forum which will aim to ensure that the work of the National Child Protection Disability Network is shared and rolled out across both areas.

Protecting Vulnerable & Older People:

The Health & Social Care Partnership has established a delayed discharge task group, which is developing priorities for investment, including:

- additional assessment capacity
- payment of the living wage in care homes
- the opening of 20 step down beds at Crookston Care Home

The East and Midlothian Adult Support and Protection Improvement Plan 2015-18 provides a clear focus on providing better outcomes for Adults at Risk of Harm and their families across East Lothian and Midlothian. The Improvement Plan can be found on the [East and Midlothian Public Protection Committee website](#).

Growing our Communities:

Transport:

Local Transport Strategy – East Lothian Council is reviewing and updating the Local Transport Strategy which will address large scale transport infrastructure issues relating to the main road and rail routes required to meet ever growing pressures from the growing population as well as developing smaller scale active travel initiatives to support and enable people to walk and cycle to school and work and for recreational activity.

Cycling – improvements which are currently being worked on to improve the cycling experience for residents and visitors in East Lothian include new shared-use paths. There are also very early discussions on the construction of a bridge for cyclists and pedestrians over the A1 near Torness.

Buses – new supported bus services were introduced across East Lothian from May 2015. Greater provision of commercially operated bus routes around the county means that supported bus service are no longer required in some areas. This has allowed resources to be deployed in other areas instead, giving the public a wider coverage and better overall access to public transport.

The Environment:

Recycling – from April 2015 every household in East Lothian has access to weekly food waste collection, fortnightly glass, cans, plastics, paper and cardboard recycling, fortnightly garden waste collections and fortnightly residual/non recyclable waste collection.

Growing the Capacity of our Council:

Services built around People and Communities:

Resident's Review – the Council plans to establish a mechanism to enable residents of East Lothian to review the performance of Council services. The pilot Resident's Review exercise will evaluate services relating to green spaces (e.g. grass cutting, weed control, dog fouling).

Prioritising Prevention and Promoting Equality:

Musselburgh Total Place Pilot – phase 2 of the Pilot has started. The second phase aims to identify target areas for early intervention, establish which activities make the most impact, and determine how services can be realigned to deliver better outcomes for vulnerable families.

Key actions supporting East Lothian Partnership's approach to reducing inequalities include:

- Developing a greater understanding of poverty and inequality across East Lothian and through the East Lothian Profiles
- Promoting a measurable shift in resources towards policies and services which are preventative in nature or designed to take an early intervention approach
- Routine use of Integrated Impact Assessment to consider the impact of decisions, policies and practices on equalities groups, poverty and health and a requirement to report these impacts in all Partnership reports

- Monitoring the impact of policies and activities designed to reduce inequality through the scrutiny of a range of performance indicators within the SOA
- Continued use of 'Voice' and the Citizens' Panel to engage with a variety of communities across East Lothian, including those least likely to engage.

Effective, Efficient and Excellent Services:

The findings from our Investors in People review, self-evaluation exercises and external audit reports have been reviewed and will be addressed via the Council Improvement Plan. The 2015/16 Council Improvement Plan includes the following actions:

- Develop a toolkit for self-evaluation of strategic partnerships
- Provide scrutiny training for PPRC Members
- Review and revise the Improvement Framework and make more effective use of benchmarking
- Introduce the Combined Impact Assessment and process for monitoring the needs of minority and vulnerable groups
- Prepare and implement the Records Management Plan
- Work with partners to develop and implement the Children's Services inspection Improvement Plan
- Review and develop elected members' training and briefings
- Implement the action plan based on the Investors in People Improvement Plan and Workforce Development Plan
- Review and revise the staff communications plan
- Implement the Web Development strategy
- Further develop the Council's service planning process

To contact us, or tell us what you think

We always want to hear what the people of East Lothian think about our services. Was this report easy to read? Did it inform you about Council services? Did it allow you to judge out performance? How could we improve the report next year?

If you want to give us feedback on this report or would simply like further information or to make a comment about the Council, email the Policy & Performance Team at: **policy@eastlothian.gov.uk**

Phone: **01620 827827**

Versions of this publication are available on request on audiotape, in Braille or in your own language.
Tel: 01620 827199

REPORT TO: East Lothian council

MEETING DATE: 27 October 2015

BY: Chief Executive

SUBJECT: Council Plan Update

5

1 PURPOSE

- 1.1 To present Council with an update on the progress being made on achieving the Council Plan 2012-2017 and priorities for the remaining two years of the Plan.

2 RECOMMENDATIONS

- 2.1 Council is asked to note the update on the progress being made in achieving the Council Plan 2012-2017 and approve the recommendations for priorities for the remaining two years of the Plan.

3 BACKGROUND

- 3.1 *Working Together for a Better East Lothian: The East Lothian Council Plan 2012-2017* was approved by the Council in August 2012. The Plan set out the Council's aim of creating a prosperous, safe and sustainable East Lothian that will allow our people to flourish. To achieve this aim the Plan has four objectives:

- **Growing our Economy** – to increase sustainable economic growth as the basis for a more prosperous East Lothian
- **Growing our Communities** – to give people a real say in the decisions that matter most and provide communities with the housing, transport links, community facilities and environment that will allow them to flourish
- **Growing our People** – to give our children the best start in life and protect vulnerable and older people
- **Growing the capacity of our Council** – to deliver excellent services as effectively and efficiently as possible within our limited resources.

3.2 A review of progress in achieving the Council Plan, approved by Council in October 2014, showed substantial progress had been made in achieving the Plan's commitments. However, the review highlighted that in order to make significant progress in meeting the overarching priority, *'To reduce inequalities across and within our communities'* four areas of activity should be prioritised:

- Reducing unemployment, particularly youth unemployment and improving positive outcomes for school leavers
- Raising attainment in schools, particularly for pupils from more economically 'deprived' areas, and providing a broader work based education experience
- Reducing inequalities and ensuring the most disadvantaged groups and communities, have access to services that maximise opportunities to break the cycle of poverty or mitigate the impact of deprivation
- Supporting the capacity of communities and voluntary organisations to show community resilience and maximise social capital from community and social networks.

3.3 The Council Management Team has undertaken a further evaluation of progress in achieving the Plan's objectives and the key areas of activity outlined above. The evaluation shows progress continues to be made to achieve the commitments contained in the Council Plan. Some of the actions and activities that contributed to the Council Plan are highlighted in the 2014/15 Annual Public Performance Report. Progress is also being made on the four priorities set by the Council Plan Update in October 2014. Key achievements over the last year include:

- Reduction in unemployment, particularly youth unemployment – the percentage of the population claiming Job Seekers Allowance fell from 2.6% in March 2014 to 1.9% in March 2015 and the percentage of 18-24 year olds claiming Job Seekers Allowance fell from 5.6% to 3.7% (below the Scottish average of 3.8%)
- Improvements in positive outcomes for school leavers – the proportion of school leavers in positive destinations increased from 89.9% in 12/13 to 92.2% in 13/14.
- Improvement in school attainment – the 2015 National Qualification results show an improvement over previous year's results at most levels, for example:
 - pass rates for National Qualifications 2 to 4 are consistently at 100% in East Lothian in 2015.
 - pass rates at National 5 remain relatively static in East Lothian in 2015 with a slight drop of 0.26% on the previous year
 - pass rates at SCQF Level 6 or above (Higher) in 2015 are up by 3.5% on the previous year
 - pass rates at SCQF Level 7 or above (Advanced Higher) in 2015 are up by 2.75% on the previous year

- the percentage of Fifth Year pupils gaining three or more awards at SCQF Level 6 or above (Higher) increased by 6.08% in 2015 and shows an improving trend in East Lothian over the last four years
 - the percentage of Sixth Year pupils gaining 1 or more awards at SCQF Level 7 or above (Advanced Higher) decreased by 1.87% in 2015 and shows an overall improved trend in East Lothian over the last four years.
- The Council has reached agreement with Edinburgh College to establish a new Academy for construction trades in Musselburgh with capital funding being provided by the Scottish Futures Trust
 - The Musselburgh Total Place pilot is being taken forward with a focus developing new models of service delivery around early intervention for the most vulnerable families
 - The Health and Social Care Partnership has been working actively to address the problem of delayed discharge through early intervention measures such as the establishment of the Hospital at Home service which has expanded into a responsive 7 days a week service, and establishing ELSIE (East Lothian Service for Integrated care for the Elderly) to improve our capacity to prevent admissions to hospital
 - £1.25m funding in 2015/16 was devolved to the six Area Partnerships which are now chaired by community representatives
 - The East Lothian Partnership has agreed a Volunteering Strategy that will act as the basis for an action plan to further encourage and support volunteering which will make a major contribution to increasing the capacity of the community and voluntary sector in East Lothian.
- 3.4 It is recognised that many commitments are ongoing and will need continuous monitoring and that further progress needs to be made on several key commitments to ensure that they are fully achieved within the lifespan of the Council Plan.
- 3.5 Appendix 1 sets out the key priorities for action to make the most impactful progress towards achieving the Council Plan over the next two years.

4 POLICY IMPLICATIONS

- 4.1 The review of the Council Plan has shown that much progress has been made in delivering the commitments set out in the Plan in order to achieve the four objectives – Growing our Economy, Growing our People, Growing our Communities and Growing the Capacity of the Council.
- 4.2 However, the review of challenges facing the Council and the commitment to reduce inequalities suggest that further prioritisation needs to be given to key policies and actions in order to deliver the change and improvements required to meet the Council Plan objectives.

- 4.3 Focusing on the key policies and actions will contribute to meeting the Council’s ambition that *“East Lothian should be a prosperous, safe and sustainable place with a dynamic and thriving economy that will allow our people and communities to flourish.”*

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required. Any new policies developed as a result of this report would be subject to Equalities Impact assessments.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – none directly as a result of this report. However, further reports arising out of the priorities set by this report may have financial implications.
- 6.2 Personnel – none directly as a result of this report. However, further reports arising out of the priorities set by this report may have staffing implications.
- 6.3 Other – none.

7 BACKGROUND PAPERS

- 7.1 Appendix 1: Council Plan Priorities 2015-2017
- 7.2 2014/15 East Lothian Council Annual Performance Report; East Lothian Council, 27th October 2015
- 7.3 Council Plan 2012-2017; East Lothian Council, 28th August 2012

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DATE	14 th October 2015

Appendix 1: COUNCIL PLAN PRIORITIES 2015-2017

	Council Plan Commitments	Priorities for 2015-2017
Growing our Economy		
1.	<p>Support and encourage the development of land allocated for business; where appropriate, fund infrastructure to enable sites to be developed to support new jobs and opportunities for strong sustainable economic growth through working with the business sector and agencies such as Scottish Development International to attract inward investment</p> <p>Identify areas for business opportunities in the East Lothian Local Development Plan</p>	<p>Publish the Local Development Plan in November 2015</p> <p>Continue to press the case for significant infrastructure investment from developers, the Scottish Government and national agencies such as Scottish Water</p> <p>Promote the opportunity provided by the Plan for new housing and business growth / economic development opportunities in East Lothian</p> <p>Continue to explore and pursue the job creation opportunities arising from the closure of the Cockenzie Power Station site and the purchase of the former St Joseph's site</p> <p>Make most effective use of funds identified in the capital programme for economic development related projects</p>
2.	<p>South East Scotland City Region Deal – new opportunity that has arisen after the Council Plan was adopted</p>	<p>Maximise the opportunities for strategic investment, economic development and skills development arising from the development of the bid for the South East Scotland City Region Deal</p>
3.	<p>Provide high quality employment pathways for East Lothian's workforce which will support those furthest from the labour market to develop work ready skills and give every young person the opportunity to undertake training, take up an apprenticeship, work experience or a job</p> <p>Develop the partnership with Queen Margaret University and the Further Education colleges to develop the Academy model and provide vocational training spaces in all secondary schools</p>	<p>Continue the focus on reducing the proportion of school leavers, including Looked After Children, achieve a positive outcome (positive destinations)</p> <p>Implement the Delivering East Lothian's Young Workforce strategy and deliver initiatives such as Senior Phase Vocational Pathways and Foundation Apprenticeships</p> <p>Continue to develop positive closer links with Queen Margaret University and Edinburgh College (e.g. the new Academy for construction trades)</p> <p>Explore options for developing vocational education in schools and in partnership with Edinburgh College, including common timetabling in the senior phase and improving the 'digital' offering in schools</p>

4.	Support local companies and build their capacity to ensure they have the opportunity to compete for Council and other public sector contracts	Support the development of further action to increase supplies and services procured from local businesses, including construction contracts and sub-contracts and food supplies Develop a new contract framework agreement for construction contracts to be used to support opportunities for local businesses as main contractors or sub-contractors
5.	Regenerate East Lothian's town centres	Continue to support the development of Town Centre Plans aligned to the six Area Plans with a focus on resolving issues faced by, and maximise the opportunities specific to, each of East Lothian's six main towns
Growing our People		
6.	Develop equitable early years and nursery services to provide nursery places for all 3 and 4 year olds and work towards meeting parental choice	Pilot different approaches to provide assistance to families to deliver the required hours of early learning and childcare sustainably and flexibly such as full-day provision, wrap around provision and summer activities Explore new delivery models as part of an early years / pre-school strategy to overcome the problems associated with recruiting nursery service staff and child minders
7.	Continue to increase educational attainment	Implement the Education Local Improvement Plan and Strategy (ELIPS) to raise attainment and improve outcomes for all pupils, in particular for the lowest-performing pupils Ensure that all clusters are working collegiately to improve outcomes for learners and that plans clearly align with the Education Local Improvement Plan and Strategy and other strategic plans.
8.	Continue to plan for the introduction of a Health and Social Care Partnership and further develop opportunities with NHS Lothian for integrated service provision	Continue to support the development of the East Lothian Integration Joint Board and completion of the Strategic Plan for integrated functions and budgets
Growing our Communities		
9.	Provide additional supported tenancies for young and vulnerable people	Explore options such as use of vacant council property for supported tenancies, flat sharing initiatives and other initiatives on new build sites

10.	Support affordable housing initiatives, prioritising the building of sustainable new homes to provide affordable housing of all tenures	Continue to explore and exploit opportunities to support the provision of affordable housing, such as Local Affordable Rented housing Ensure progress is made in delivering affordable housing allocations within major housing development sites which have existing planning approval
11.	Establish Local Area Partnerships for all six areas of East Lothian to give local communities, Community Councils and local groups more say in local services and to develop Local Community Plans	Complete the consultation on the six draft Area Plans Review the budgets devolved to Area Partnerships
12.	Reduce congestion and improving town centre parking	Complete the business case and funding options appraisal for the decriminalisation of parking
13.	Protect the roads maintenance budget to ensure that all local roads are maintained to a very high standard, and surface water drainage is improved to help prevent flooding	Consider priorities for roads maintenance expenditure in and around towns in association with Area Partnerships
14.	Implement the East Lothian Local Transport Strategy and lobby public transport providers and the Scottish Government to improve the quality and accessibility of road, rail and bus links and services across East Lothian, and to support community transport initiatives	Implement the Local Transport Strategy Continue to work with local bus operators and enhance relations with Lothian buses to improve services across the county and deliver measures to enhance local bus services such as combined timetables at main stops along with the commitments in the Bus Passenger Charter Work with ScotRail and others to support the delivery of the East Linton railway station and local service as well as improved parking at Drem, Dunbar and Longniddry stations Consider extending the Young Scot card model of providing transport to school and college Continue to deliver 20mph zones where local demand exists and further school traffic exclusion zones Support the development of community transport initiatives

REPORT TO: East Lothian Council

MEETING DATE: 27 October 2015

BY: Depute Chief Executive (Partnerships and Community Service) **6**

SUBJECT: Syrian Refugees

1 PURPOSE

- 1.1 To advise the Council of the progress made since it passed a resolution on 8 September 2015 to support and assist both the UK and Scottish Government in resettling Syrian refugees.

2 RECOMMENDATIONS

- 2.1 That the Council notes the content of this report and agrees to the continuation of the action taken by officers to establish an agreement with the Government to resettle up to 7 families per year for the next 5 years. This is estimated to be 30 refugees per year.

3 BACKGROUND

- 3.1 The United Nations (UN) estimates that as of February 2015, 12.2 million people are in need of humanitarian aid within Syria. At least 7.6 million people in Syria have been forced to flee their homes and there are some 3.8 million refugees in neighbouring countries. On 29 January 2014, the Home Secretary made a statement to Parliament outlining the Government's intention to relocate to the UK some of the most vulnerable Syrian refugees displaced to neighbouring countries by the ongoing conflict.
- 3.2 Earlier this year the Government announced its intention to expand the existing Syrian Vulnerable Person Scheme with an intention to resettle 20,000 Syrians in need of protection during the next 5 years. The Scottish Government has agreed to co-operate with central government on this re-settlement process and it is estimated that Scotland will resettle approximately 2000 refugees in the next 5 years.

- 3.3 During September the Scottish Government, in conjunction with COSLA, was in contact with all Scottish local authorities to establish the support for the project and likely number of refugees each authority would be able to assist.
- 3.4 At present all Scottish councils have indicated an interest in assisting with the resettlement of refugees and 20, including East Lothian, have started the process of discussing a formal agreement with the Home Office to begin the resettlement in the near future.
- 3.5 East Lothian's contribution has been assessed as being between 5 and 7 families (approximately 30 refugees) per year. This figure was based on the proportion of refugees which East Lothian would expect to accept on a pro-rata basis, an acceptance of the spirit of the Council's wishes, and a concern that some Councils may be unable to assist for other reasons. Therefore it was suggested that we take slightly more families than would represent our proportional share.
- 3.6 The process which will now be followed is that we will seek to reach formal agreement with the Home Office on the number of refugees or families they are willing to resettle.
- 3.7 Having concluded this agreement, councils then have access to information on the potential families concerned. This information is of a much greater quality and depth on the needs of the families concerned in comparison to our previous experience in refugee projects where one of the key difficulties was the lack of effective information.
- 3.8 In addition to improved information, unlike previous projects, families will be transported to East Lothian in more manageable numbers, which will make the reception process more manageable.
- 3.9 During discussions with both COSLA and the Home Office, it is apparent that both organisations are of a view that the improved level of information, the smaller number of families arriving at any time, along with the experience of directly settling refugees in housing in host communities in a range of other refugee initiatives, means that the approach used in the late 1990s of initially establishing refugees in a "reception centre" was not appropriate.
- 3.10 In terms of re-housing, no decision has yet been made on any specific areas of East Lothian but it is anticipated that we will follow our successful practice from previous projects of clustering families within reasonable distance of each other providing the opportunity for some element of mutual support.
- 3.11 The Housing Associations active in East Lothian have indicated an interest in assisting the Council with this project. The project will be "tenure neutral" and as such the Council will use any appropriate rented accommodation to meet its requirements.

4 POLICY IMPLICATIONS

- 4.1 The re-housing of refugees can be established within existing housing allocation arrangements, and within the Council's responsibilities under the homelessness legislation.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 Given the urgency of this issue a Combined Impact Assessment has not been undertaken but will be completed before any refugee families arrive in East Lothian.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – The agreement with the Home Office will include the agreed costs for resettling refugee families. At present these costs are specific to a number of areas of a project such as additional Education or void rent costs etc.

6.1.1 However, at the time of writing this report, negotiations are under way to change the existing process to one where the agreement will outline the costs covered by central Government on a cost model based on a individual payment per refugee family.

6.1.2 If the Council proceeds with an agreement with the Home Office, the income we will receive from either model is sufficient to ensure that East Lothian Council does not incur any additional costs from this project.

- 6.2 Personnel – Given the relatively small number of families concerned all of the activities can be managed within existing staff resources.

6.3 Other – None.

7 BACKGROUND PAPERS

7.1 Motion agreed by East Lothian Council 8 September 2015

7.2 Briefing note to Councillors – 6 October 2015

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CONTACT INFO	Ian Patterson ext 7544
DATE	15 October 2015

REPORT TO: East Lothian Council

MEETING DATE: 27 October 2015

BY: Depute Chief Executive (Partnership and Services for Communities)

SUBJECT: Former Cockenzie Power Station Site – Update Report

7

1 PURPOSE

- 1.1 The purpose of this report is to provide Council with an updated position with regard to site ownership, community engagement and master-planning arrangements for the former Cockenzie Power Station site.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council notes:
- a) the ongoing discussions with Scottish Power with regard to site ownership;
 - b) continuing positive engagement with stakeholders through meetings of the Cockenzie Community Forum; and
 - c) the collaborative approach being taken to specifying the master-planning work to be commissioned and the approval route proposed to initiate this work.

3 BACKGROUND

- 3.1 On 25 August 2015, East Lothian Council re-affirmed the mandate and direction given to officers to secure the future of the site through a range of potential options.
- 3.2 Council officers are actively progressing discussions with Scottish Power Generation in connection with site ownership.
- 3.3 Following the establishment of the Cockenzie Community Forum (formed in collaboration with local Community Councils, the Coastal Regeneration Alliance, the Seton & Gosford Area Partnership and the

Battlefield Trust), there have been a number of positive discussions with community representatives and Council Officers. The Community Forum meeting of 27 September 2015 considered an early draft of a master-planning specification document (Appendix A), that once approved could be used to initiate master-planning work.

- 3.4 It is intended that on conclusion of drafting the specification document that this would be considered by the cross-party member and officer group who would oversee implementation arrangements.
- 3.5 Council officers are continuing to engage with Scottish Government through Scottish Enterprise, in their capacity as the national economic development agency specifically in the context of intervention assistance and expertise, both technical and financial, particularly with regard to the formation of a specific project team. Officers are also continuing engagement with government in the context of Scottish Government's Third National Planning Framework – Ambition, Opportunity, Place (NPF3). NPF3 remains relevant and applicable to the site and must be reflected in the Council's Local Development Plan (LDP) proposals currently being worked up.
- 3.6 The Coastal Regeneration Alliance has re-submitted its "Community Right to Buy" proposals to Scottish Ministers for 2 areas within the overall site which is/are currently being considered.

Forward Direction

- 3.7 That council officers continue:
 - a) discussions with Scottish Power Generation;
 - b) engagement with all parties and work in partnership, where applicable, to ensure all potential opportunities and benefits are explored and maximised whilst all risks and drawbacks are identified and mitigated in any proposals developed;
 - c) with work to initiate work on master-planning of the site;
 - d) with the establishment of a dedicated project team securing Scottish Government support in terms of financial contribution and technical advice where possible.
- 3.8 If, in due course, options for the future ownership of the site are identified, a further report on the nature of any such proposals would be presented to Council for full consideration.

4 POLICY IMPLICATIONS

- 4.1 The East Lothian Plan – Single Outcome Agreement 2013, Outcome 1; East Lothian has a growing sustainable economy. East Lothian Economic Development Strategy 2012 – 2022.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – as approved by East Lothian Council on 25 August 2015, scope exists to fund project team requirements including master-planning arrangements from general reserves, up to a maximum value of £150k. Any additional support or contribution that may be secured from other stakeholders can also be used to complement any project team established.
- 6.2 Personnel – potential temporary deployment of existing staff to support the project team.
- 6.3 Other – ongoing engagement from Council officers at a senior level with current landowner, Scottish Government, the local community and other stakeholders.

7 BACKGROUND PAPERS

- 7.1 Council report 26 August 2014; Cockenzie Energy Park / Former Power Station.
- 7.2 Council report 25 August 2015; Former Cockenzie Power Station Site.
- 7.3 East Lothian Partnership, the East Lothian Plan, Single Outcome Agreement 2013 – 23; East Lothian Economic Development Strategy 2012 – 2022; Scottish Government Third National Planning Framework (NPF3).

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DATE	19 October 2015

STRATEGIC MASTERPLAN

SITE PLANNING & MASTERPLANNING

1. MASTERPLAN – KEY REQUIREMENTS

- 1.1 The Council are seeking to appoint a planning and masterplanning design team to assist the Council to work with local communities and stakeholders develop a hi-level masterplan that builds on the adopted Local Development Plan and land-use strategy for the site.
- 1.2 The Council are seeking to explore the future opportunities and options for the site and develop a site masterplan that reflects the Council and wider stakeholder aspirations and that supports wider policy associated with sustainable economic growth, locality planning and environmental and green network strategies. The council envisage that the scope of work will require a multi-disciplinary professional team with strong skills in development planning, masterplanning and public engagement.
- 1.3 The Brief outlines the main areas of investigation and reporting and invites prospective consultants to set out detailed proposals and supporting methods statements for each stage/element of the work, including the skills and resources required; milestones for completion of each stage including client approval and set out the consultants resources, fees and costs.
- 1.4 Proposals must be developed and tested with the community and other key stakeholders through a stakeholder engagement programme organised through a design charrette. The masterplan reporting should set out the site analysis; regional context; objectives; main options; masterplan proposals; costs and project packages.

2. STRATEGIC CONSIDERATIONS

- 2.1 There are a number of key strategic considerations which this work seeks to address. The outcome of the masterplan process seeks to create a vision for the future redevelopment of the area and to offer a sustainable long term plan that supports place-making, community empowerment and sustainable economic activity.
- 2.2 The East Lothian Single Outcome Agreement, Economic Development Strategy and Council Plan, together with a range of supporting plans and policies, set out a range of actions and targets to address the growth of the Economy; Communities; People and the Council. Key Issues include:
 - Strategic Areas Based Vision
 - Sustainable and Inclusive Growth
 - Tackling inequality
 - Tourism / Leisure and Active Communities
 - Green Networks and Environment
 - Sustainability
- 2.3 The Council are seeking to develop a masterplan that clearly demonstrates capacity and outlines options and priorities that will have the greatest impact, and create the environment and opportunities that support a flourishing economy and help to build a prosperous, safe and sustainable location.

3. MASTERPLANNING

- 3.1 The outcome of the masterplan process is to create a vision for the future redevelopment of the site and to have advanced engagement with local communities

and stakeholders in a manner that facilitates a shared understanding of the future opportunities and options defines a direction of travel.

The principal aims and objectives of the masterplan are to:-

- Develop a clear vision for the future of the site which has the support of the local community and key stakeholders and impacts positively on the whole area
- Set out proposals in the masterplan which will address the key strategic challenges
- Provide a set of costed options for proposals which will facilitate and support area regeneration ; sustainable place-making and protects appropriate future economic opportunity
- Prepare a robust delivery strategy with projects that can be phased and realised within the overall vision

3.2 The Council wishes to develop the optimum solution that extends opportunity; secures partnership investment and offers a sustainable and cost effective solution to area regeneration that recognises that there are a number of ways in which this could be achieved. The Council envisages the masterplan will include key elements and land-use provision associated with:

- Economic / Tourism opportunities including heritage
- Active sports and Leisure
- Green Network opportunities

3.3 A key output is a detailed feasibility study level of masteplanning that defines the key land-use elements; spatial configuration; key connections; and general layout and order of costs for all elements. Detailed 3D montage layouts and a range of plans at scales of 1:5000; 1:1000; and 1:250 would be envisaged. Key elements will include aspects relating to:

- Strategic Site Planning
- Land Use Strategy (Economic / Social-Community / Environment)
- Development Elements including supporting infrastructure
- Roads / Paths /Cycleways and connections across and within the site / settlements
- Green Networks and Green Infrastructure
- Landform; Site Preparation and Regrading
- Environment / Ecology-Biodiversity / Sustainable Drainage

3.4 The final masterplan will be expected to set out the options considered and how to protect identified viable land-use / development and green network options within the longer term vision.

3.5 The consultants are expected to set out in their methodology and detailed proposals their approach to the commission. The Council envisages the work will be advanced in two stages with reporting and sign off by the Council between stages. The consultants should set out their methodology for the stages set out below:

Stage 1

Inception & Client Briefing
 Research including site/contextual appraisal
 Objective Setting
 Economic / Land-Use Strategy
 Stakeholder Engagement / Charrette
 Developing Masterplan Options

Presentations - Officer & Member Consultation**Stage 2**

Developing the Vision
 Option Appraisal
 Stakeholder engagement / Charrette
 Masterplan including Developing Proposals and Cost Plan
 High-Level Socio-Economic Benefits
 High-Level Delivery Strategy

4. REPORTING AND OUTPUTS

- 4.1 The Council will establish a Steering Group to oversee the work and support the consultancy study.
- 4.2 The final report and all related content will be the property of the Council, for use in developing a programme of implementation. Consultants are asked to set out specific outputs for particular elements of the detailed work programme.
- Draft Final and Final Masterplan reports including reporting on the engagement activity; vision; objectives; option assessment; masterplan and costs.
 - 3D Visualisations from key viewpoints of the conceptual scheme
 - A PowerPoint (2007 compatible) presentation summarising the masterplan report
 - Executive Summary including supporting Masterplan graphic materials
- 4.3 The Council will require 1 electronic copy (on disk and by email) along with 4 hard copies (including one unbound) of the final report. 2 number paper copies of plans and drawings should be provided at an appropriate scale with electronic copies of drawings should be provided, compatible with Autocad 2014 or 2015 .dwg format and be in PDF format.

5. SUBMISSION REQUIREMENTS

- 5.1 Consultants are asked to submit proposals for carrying out this work based on the anticipated 12 week timescale and outputs for the project. The Consultant's proposal must include a draft Project Plan reflecting the scope of services and setting out the methodology, start and finish dates, outputs and costs for each stage and element of the project.
- A multi-disciplinary team is envisaged including personnel with appropriate skills /qualifications in planning / masterplanning / landscape architecture / cost consultancy and project management.
 - Details of the skills and qualifications of the masterplan team and a supporting CV(s) are required.
 - Submission requirements will include:
 - Proposal

- Methodology
- Project Team (including CV's)
- Project Programme
- Costed Staged Workscope

5.2 Consultants are requested to complete the following tabulated summary to reflect the anticipated work programme and key inputs.

Key Stage	Key Team Lead	Resource Allocation Days	Fee £
Stage 1			
Stage 2			
Presentations			
Draft/Final Reporting			
Expenses			
TOTAL			

DRAFT

REPORT TO: East Lothian Council
MEETING DATE: 27 October 2015
BY: Depute Chief Executive (Resources & People Services)
SUBJECT: Financial Assurance – Health & Social Care Integration

8

1 PURPOSE

- 1.1 The purpose of this report is to commence the process for the undertaking of due diligence and financial assurance of the financial resources that will be delegated to the Integrated Joint Board (IJB) from 2016/17.
- 1.2 Specifically, the report will review the 2014/15 performance for the East Lothian Health and Social Care Partnership, including Adult Wellbeing, East Lothian CHP and wider NHS Lothian. The report will also take into consideration the 2015/16 performance to date and will identify future financial implications that may impact on the budgets going forward.

2 RECOMMENDATIONS

- 2.1 Council is recommended to:
 - Agree the proposed process for undertaking the due diligence and financial assurance review;
 - Note the initial due diligence work undertaken to date;
 - Agree that further financial updates on the due diligence work will be presented to Council prior to formal consideration of the IJB's Strategic Plan.

3 BACKGROUND

- 3.1 The 2014 Public Bodies (Joint Working) (Scotland) Act directs each Local Authority and appropriate Health Board to set up an Integration Authority. This Authority must be set up and operational by 1 April 2016.

- 3.2 The Integration Joint Board (IJB) is a legal entity in its own right, created by parliamentary order following ministerial approval. NHS Lothian and East Lothian Council prepared an Intergation Scheme creating an East Lothian Integration Board. This Scheme was agreed by Members at the Council Meeting of 10 March 2015 and was subsequently approved by the Scottish Government. The East Lothian IJB became a legal entity on the 27 June 2015, with the first meeting held on 1 July 2015.
- 3.3 The IJB's fundamental task is to consider and agree a Strategic Plan, which sets out the wider strategic direction as to how health and social care services for adults will be delivered over the coming years, and importantly the timescale as to when the Strategic Plan will be adopted, including associated budgets.
- 3.4 In advance of then, all the parties involved in the Integration Scheme – that is; East Lothian Council, NHS Lothian and the IJB itself, must undertake a financial assurance process to review the resources that are proposed to be delegated to the IJB in order to undertake the functions. This process will set out the following:
- In the case of East Lothian Council and NHS Lothian, the value of the financial resources to be delegated to the IJB and the impact of that delegation of resources on the Council and Health Board.
 - In the case of the IJB the underlying financial issues that exist within that allocation and will explore the financial risks that the IJB will have to manage. The IJB will specifically wish to understand the efficiency schemes that are embedded in the resources from both the Council and the Health Board.
- 3.5 A detailed process for this work in relation to the due diligence requirement for the IJB was agreed at its meeting on 27 August 2015. In addition, two initial reports have been presented to NHS Lothian Finance and Resources Committee, setting out a review of the 2014/15 financial outturn for those budgets in NHS Lothian that will be part of the delegated resources for the IJB. It is anticipated further reports will be presented as part of the wider due diligence review.
- 3.6 This is the first report to be presented to the Council on the wider financial assurance process, and it is anticipated that further reports will be considered as the assurance work continues.

Financial Assurance Review Process

- 3.7 The Council has already agreed to delegate a range of functions to the IJB for the purposes of strategic planning and operational oversight. In practice, this will include the entire current Adult Wellbeing budget including Criminal Justice.
- 3.8 In addition, many of the functions currently undertaken by NHS Lothian will be delegated to the IJB, with the total budget for East Lothian Integration Joint Board therefore consisting of:-

- The Council's Adult Wellbeing budget;
 - The East Lothian Community Health Partnership's (CHP) core services including Community Hospitals, GMS and GP Prescribing;
 - A share of the delegated Hosted services which are managed on a pan Lothian basis by all CHPs;
 - A share of NHS Lothian's delegated Acute Services. This budget is held by NHS Lothian on the IJB's behalf – the 'set aside' budget.
- 3.9 The financial assurance process is critical from the Council's perspective to ensure there is a clear understanding of current and future risk associated with the transfer of funding to the IJB, and that the financial resources delegated to the IJB are sufficient to meet the outcomes required from the Strategic Plan.
- 3.10 The scope of the financial assurance work has extended to review and analyse the Adult Wellbeing 2014/15 actual expenditure against budget by Service Categories (set out within Appendix 1) and Subjectively (set out within Appendix 2), as well as identifying any known pressures and identified efficiencies within the approved budget for 2015/16 and the indicative budgets for 2016/17 and 2017/18. In addition, this paper has also included a review of the 2014/15 financial performance relating to the wider East Lothian CHP, including the 2015/16 budget and any identified financial risks.

Adult Wellbeing Review

2014/15 Outturn

- 3.11 As part of the 2014/15 Financial Review, the Council has already been informed that during that period the Adult Wellbeing service was overspent against approved budget by £0.391 million (0.8%). The service experienced significant financial pressures within the wider purchasing of external care packages, particularly in relation to the Elderly Provision and Learning Disability packages of care, most of which is being driven by demography pressures and increasing complexity of care needs. These pressures were in part offset by savings in other areas including; management of in-year Change Fund income; additional income received during the year for the Criminal Justice Service; the delivery of an in year underspend of £0.171 million relating to Midlothian & East Lothian Drug and Alcohol Partnership (MELDAP). When considering this on a subjective level, the increased care packages are reflected through increased costs within the supplies and services and third party payments, offset in part through lower than anticipated employee costs reflecting a number of vacancies during 2014/15 within the service, and the higher than budgeted income mentioned above.

2015/16 Financial Review

- 3.12 Recognising that many of the pressures experienced during 2014/15 were demographic, and as such were recurring in nature, additional investment of £0.900million was included within the budget for 2015/16 to address identified pressures including: demand and service pressures; contractual uplifts relating to National Care Home Contract; and new legislative requirements including additional costs how sleepover rates are calculated and earned following on from European Rulings. This additional investment, alongside contractual uplifts relating to pay and pension contributions and the delivery of efficiencies totalling £0.185 million; increased the Adult Wellbeing base budget in 2015/16 by £1.443 million (3.1%) to £45.838 million.
- 3.13 Despite this investment, a number of further pressures have been identified during 2015/16 including; additional costs associated with the national pay agreement (£0.070 million); and additional costs associated with the specialist Care at Home contracts (£0.316 million). We are working closely with Adult Wellbeing Management to monitor the 2015/16 in year performance to ensure that expenditure can be contained within budget, and identify any recurring impact going forward.

Financial Planning

- 3.14 The draft budgets for 2016/17 and 2017/18 have been based on a number of planning assumptions, most notably that the grant received from the Scottish Government will be maintained in line with 2015/16 levels (i.e. 'flat cash'), and anticipated pressures and contractual commitments including pay across the Council will prevail. The outcome of the current UK Government Comprehensive Spending Review is unlikely to be known until end of November, with current indications suggesting that we are unlikely to receive confirmation as to the Scottish Local Government Settlement until mid-January.
- 3.15 There remains significant uncertainty around what this will mean in practice for the Local Government settlement, with indications suggesting we should be planning for a reduction in Grant. In addition, the recently agreed national pay award means that our current planning assumption for 2016/17 is understated by 0.5%. The draft Adult Wellbeing budgets for 2016/17 and 2017/18 already include the delivery of planned efficiencies of £0.485 million in 2016/17 and a further £0.250 million in 2017/18, however dependent upon the next grant settlement, further efficiencies may be required in order to deliver a balanced budget.
- 3.16 The due diligence and financial assurance review will continue taking cognisance of the emerging 2015/16 financial performance as well as any anticipated changes to future years budgets.

NHS Lothian Review

- 3.17 Whilst the due diligence review considered by the IJB will need to seek assurance that the level of resources delegated from both the Council and NHS are appropriate, it is important that as part of the Council's due diligence process that there is awareness around the wider financial resources which will be delegated to the IJB from NHS Lothian, and to have an understanding as to any associated financial risks.
- 3.18 Similar to the initial review of the Council's Adult Wellbeing performance and budgets set out in the first part of the report, details around the 2014/15 financial performance for both NHS Lothian and the wider East Lothian Community Health Partnership is set out in the forthcoming paragraphs, as well as an indication as to the 2015/16 performance to date.

2014/15 Outturn - NHS

- 3.19 Overall in 2014/15 NHS Lothian delivered a break-even position. Operationally however, the Business Unit's (including the respective Community Health Partners) delivered an overspend of just under £35 million (comprising £24.6 million overspend against approved budget, and non-achievement of planned efficiencies of £10.4 million), most of which was offset by a combination of corporate efficiencies, use of general reserves, financial plan flexibility and an in year rates rebate.
- 3.20 The 2014/15 financial outturn for the East Lothian Community Health Partnerships (CHP's) is set out in **Table 1** below. The CHP includes budgets in relation to a wide range of expenditure elements including; General Medical Services (GMS), Prescribing and Resource Transfer budgets (the income of which is reflected within the Adult Wellbeing budget within the Council).

Table 1 – Community Health Partnership 2014/15 Financial Outturn

Community Health Partnership Outturn 2014-15	Annual Budget £'000	Actual £'000	Variance £'000
Core	18,154	19,048	894
Hosted	20,271	19,982	-289
GMS	13,173	13,077	-96
Prescribing	17,829	18,861	1,032
Resource Transfer	3,163	3,163	0
	72,590	74,131	1,541

- 3.21 During 2014/15, the East Lothian CHP reported an overspend of £1.541 million. The most significant financial pressure identified during 2014/15 related to GP Prescribing costs. In addition, the CHP did not achieve the planned efficiencies target (LRP) of £0.356 million, largely as a result of

operational pressures relating to delayed discharge. To date, the Lothian CHP's have operated a financial risk sharing mechanism between them to manage many of the pressures within the respective CHP budgets on a pan Lothian basis, including prescribing budgets. A risk sharing protocol has been discussed by NHS Lothian; however, the future decisions on whether this is implemented will need to be taken by individual IJBs.

2015/16 Financial Review – NHS

- 3.22 The 2015/16 budget for East Lothian CHP is £86.9 million, with a breakdown against the respective budget headings set out in **Table 2** below.

Table 2 – East Lothian CHP 2015/16 Budget

East Lothian CHP 2015/16 Budget	Annual Budget £'000
Core	20,724
Hosted	34,345
Unachieved LRP (Net)	-259
GMS	11,809
Prescribing	17,040
Resource Transfer	3,227
TOTAL	86,886

- 3.23 There continues to be pressures on the GP Prescribing budget, largely driven by higher than projected average prices.
- 3.24 In addition, the budgets include plans to deliver around £1.2 million of efficiencies during 2015/16. Both areas will require close monitoring and control during the year if the CHP is to deliver a financial outturn within the available resources.

Financial Planning - NHS

- 3.25 Similar to the Council, the level of resource made available to NHS Lothian, will be subject to the outcome of the Comprehensive Spending Review and subsequently the amount of resource delegated to the East Lothian IJB will be subject to discussions within NHS Lothian. It will be necessary to ensure that an appropriate level is allocated in order to deliver the required outcomes agreed by the IJB and contained within the Strategic Plan.

Financial Risks

- 3.26 The financial performance for both the existing Adult Wellbeing service and also the East Lothian CHP will continue to be closely monitored against the 2015/16 approved budgets. A number of financial risks have already been highlighted within this paper, including; the continued delivery of planned efficiencies; the management of new and emerging pressures and the implication of future financial settlements for both the Council and NHS will have on the delivery of the strategic direction which will be set by the IJB. Integrated management structures are in the process of being established within the Council designed to work collaboratively to support the delivery of integrated health and social care services in line with the proposed strategic direction. As such the way in which services are jointly planned and resources expended may change, and appropriate arrangements will be required to be put in place in order to ensure expenditure is managed within the financial resources that are made available.
- 3.27 The Council and NHS Lothian currently manage risk within their own established policies ensuring that expenditure is contained within existing spending limits, with discussions on-going to identify any areas where risk sharing arrangements might be established that will better serve the new integrated arrangements for Health and Social Care.
- 3.28 The level of resources and associated financial risks will need to be considered alongside the proposed Strategic Plan to ensure that the overall level of resources available are appropriate to deliver the strategic directions, and that appropriate financial arrangements are in place to allow the required level of resources to flow between bodies to deliver the strategic outcomes set by the Strategic Plan.

Next Steps

- 3.29 This paper sets out a retrospective review of the financial resources and performance for the Adult Wellbeing service to date. As we move to a new model of integrated service delivery, it is important that as a Council, there is a clear understanding as to the; overall level of resources which will be delegated to the IJB, and any associated risks which may prevent the strategic outcomes to be delivered within the financial resources which have been made available.
- 3.30 As such, the financial assurance and review process will continue during the 2016/17 budget setting and beyond by all associated bodies - the Council, NHS Lothian and IJB.
- 3.31 As part of this process, a further report will be presented to Council which will take into consideration the updated 2015/16 financial performance for both Adult Wellbeing service and also the wider East Lothian CHP, any implications on the proposed budgets for 2016/17 to 2018/19, and also any implications associated with the emerging Strategic Plan.

3.32 Further financial assurance reports will also be considered by both NHS Lothian and also the East Lothian IJB.

4 POLICY IMPLICATIONS

4.1 None

5 EQUALITIES IMPACT ASSESSMENT

5.1 This Report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial – The due diligence and financial assurance work has highlighted areas of financial risk for the Council and the IJB, and these will require close monitoring during 2015/16 and beyond.

6.2 Personnel - none

6.3 Other – none

7 BACKGROUND PAPERS

7.1 None

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DATE	19/10/2015

APPENDIX 1

DUE DILIGENCE HEALTH & CARE INTEGRATION

EAST LoTHIAN HEALTH & SOCIAL CARE PARTNERSHIP

ADULT WELLBEING	Budget 2014/2015 £'000	Actual 2014/2015 £'000	Budget 2015/2016 £'000	Budget 2016/2017 £'000	Budget 2017/2018 £'000
OLDER PEOPLE	21,781	23,221	22,489	22,436	22,301
ADULTS WITH PHYSICAL DISABILITIES	4,244	4,113	4,382	4,372	4,345
ADULTS WITH LEARNING DISABILITIES	12,450	12,569	12,855	12,825	12,748
ADULTS WITH MENTAL HEALTH NEEDS	1,491	1,499	1,539	1,536	1,527
CRIMINAL JUSTICE SOCIAL WORK	0	-185	0	0	0
SERVICE STRATEGY	4,429	3,546	4,573	4,562	4,535
TOTAL	44,395	44,763	45,838	45,731	45,456

APPENDIX 2

DUE DILIGENCE HEALTH & CARE INTEGRATION

EAST LoTHIAN HEALTH & SOCIAL CARE PARTNERSHIP

ADULT WELLBEING SUBJECTIVE ANALYSIS	Budget 2014/2015 £'000	Actual 2014/2015 £'000	Budget 2015/2016 £'000	Budget 2016/2017 £'000	Budget 2017/2018 £'000
Employee Costs	14,313	13,887	14,990	15,219	14,989
Premises Costs	1,585	1,562	1,599	1,608	1,608
Transport Costs	190	220	190	190	190
Supplies & Services Costs	17,224	18,486	17,552	17,404	17,407
Third Party Payments	18,414	19,561	18,741	18,594	18,596
Transfer Social Work Client Payments	150	17	150	150	150
Capital Charges	0	0	0	0	0
Income	-8,329	-9,663	-8,232	-8,282	-8,332
Support Services	848	693	848	848	848
TOTAL	44,395	44,763	45,838	45,731	45,456

REPORT TO: East Lothian Council

MEETING DATE: 27 October 2015

BY: Depute Chief Executive (Resources and People Services)

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SUBJECT: Amendments to Standing Orders – Scheme of Administration and Scheme of Delegation

1 PURPOSE

- 1.1 To seek approval of proposed changes to the Schemes of Administration for the Education Committee and Joint Consultative Committee, and to the Scheme of Delegation.

2 RECOMMENDATIONS

Council is asked:

- 2.1 to approve the proposed change to the Scheme of Administration for the Education Committee in relation to the quorum, as outlined in Section 3.1 of the report;
- 2.2 to approve the proposed changes to the Scheme of Administration for the Joint Consultative Committee in relation to an increase in Trades Union representation, as outlined at Section 3.2 of the report;
- 2.3 to approve the proposed changes to the Scheme of Delegation, as set out in Appendix 1 to the report.
- 2.4 to note that, if the proposed changes are approved, the Scheme of Administration and Scheme of Delegation will be updated and published on the Council's website as soon as practicable.

3 BACKGROUND

3.1 *Education Committee Scheme of Administration*

At its meeting of 27 August 2013, the Council approved a revised Scheme of Administration for the Education Committee, which stipulated that two of the four external representatives would be required for a meeting to be quorate. A situation arose in 2015 where a meeting of the Committee had to be abandoned as only one external representative was present. In addition, the representative of the Catholic Church, Michael McHugh, has recently intimated his intention to stand down from the Committee and his replacement has not yet been appointed. In light of these events, and to reduce the risk of future meetings being inquorate, it is proposed that the quorum for the Committee be changed from half plus one of Elected Members and two external representatives, to half plus one of all committee members (i.e. no specific quorum for external representatives).

3.2 *Joint Consultative Committee Scheme of Administration*

At the meeting of the Joint Consultative Committee (JCC) held on 2 September 2015, it was agreed that Council approval should be sought to increase the Joint Trades Unions membership from 13 to 14. The existing Scheme of Administration only allows for a representative on the JCC from either GMB or UCATT. Currently there is no representative from UCATT, which is the only Trades Union not to have a seat on the JCC. Increasing the membership by one would allow a representative from both GMB and UCATT to sit on the JCC. The JCC also seeks to amend the Scheme of Administration to remove reference to AMICUS, which has been subsumed by Unite.

3.3 *Scheme of Delegation*

Changes to the Scheme of Delegation are proposed in order to reflect the changes in Health and Social Care as a result of health and social care integration. These changes delegate the necessary authority to posts which have a joint remit across the Council and Health services and employees. The proposed changes are tracked on East Lothian Council's current Scheme of Delegation which is attached as Appendix 1.

4 POLICY IMPLICATIONS

4.1 None.

5 EQUALITIES IMPACT ASSESSMENT

5.1 This report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – none
- 6.2 Personnel – none
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Report to Council on 25 August 2015 – Arrangements for Scrutiny of Police and Fire & Rescue Services
- 7.2 Report to Council on 27 August 2013 – Revisions to East Lothian Council Standing Orders

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EAST LOTHIAN COUNCIL SCHEME OF DELEGATION

1.0 General Duties and Responsibilities Delegated to Officers (Including Jointly Appointed Officers)

- 1.1 The Council is entitled, under section 56 of the Local Government (Scotland) Act 1973, to delegate certain duties and responsibilities to committees, sub-committees or Council officers.
- 1.2 Any officer acting on delegated authority must keep within any relevant, approved policies and procedures and the current budget of the Council when making decisions.
- 1.3 These policies and procedures include the following:
- Standing Orders
 - Financial Regulations and Procurement Policies
 - The Council's human resources policies and procedures
 - Relevant plans and policies adopted by the Council
 - Approved budgets
 - National code of Local Government Conduct
 - The Scottish Joint Committee Council's Terms and Conditions for all employees working for Local Councils
- 1.4 When acting on the authority delegated to them, officers must make sure that they consult the Chief Executive, the appropriate Depute Chief Executive, Chief Officer East Lothian Health & Social Care Partnership and the Head of Council Resources (as appropriate) about all sensitive or complex matters, or if they need advice or guidance. In particular, officers must get technical, construction, legal, financial and procurement advice.
- 1.5 Officers should consult local Councillors if it appears that a proposed decision or action could directly affect a particular ward. This does not apply if the decision or action has a general effect on all wards.
- 1.6 Where a matter falls within the remit of more than one Head of Service and there is a dispute as to how the matter should be handled, the Chief Executive will have the final decision.
- 1.7 Notwithstanding the duties and responsibilities delegated to officers as set out in this Scheme of Delegation, Councillors retain the right to request to report to Council or Committee on any issue deemed to be of significant interest to Councillors and/or the wider public.

Further delegation

- 1.7 If duties and responsibilities have been delegated to an officer under this scheme, that officer may authorise any member of his or her staff to act for them. Where duties or responsibilities are delegated to a specific post holder that delegation will apply to anyone acting in that post on a temporary basis.
- 1.8 Officers delegating powers must consider the role of the officer they intend to delegate those powers to and whether the officer has appropriate qualifications and experience. Any officer using delegated powers will be responsible to the Council for their actions. However, if an officer delegates their powers to another officer, this will not relieve the delegating officer of his or her responsibility for the duties they have delegated. Officers should make sure any delegation of statutory powers and duties is recorded in writing.

Limits on delegated powers

- 1.9 This scheme does not allow the following matters to be delegated to officers:
- 1.9.1 Matters that must be considered by the full Council or a committee or sub-committee
 - 1.9.2 Matters not covered by this Scheme of Delegation
 - 1.9.3 Matters which, by law, cannot be delegated to an officer

Conflict of Interest

- 1.10 If someone applying for a Council service is a Councillor or a Council employee, before making a decision on the application the officer should consider whether they need to consult the Monitoring Officer, who will decide whether the application should be referred to the full Council or an appropriate committee.

Job applications

- 1.10 If a job applicant is a relative of either a Councillor or a Council employee, before making a decision on the application officers must consider whether they need to consult the Head of Council Resources who will decide if the application should be referred to Council.

Financial Limits

- 1.11 Officers shall have delegated authority to incur expenditure on behalf of the Council, including the signing of contracts and agreements to this effect, in accordance with Council policy, procurement procedures and other relevant financial procedures, as approved within the Council's Financial Regulations. All such expenditure must be within the authorised estimates of the expenditure of the Council as a whole.

2.0 Specific Duties And Responsibilities Delegated To The Chief Executive

2.1 The Chief Executive has overall authority over all other officers and has the powers he or she needs to do the following:

- a) Efficiently manage the Council's responsibilities and performance in carrying out its roles, including the delegation of roles and remits to Depute Chief Executives/Chief Officer East Lothian Health & Social Care Partnership
- b) Set up proper decision-making and consultative forums for senior officers
- c) Give professional advice in the decision-making process
- d) Take the action considered necessary to meet any of the Council's objectives (within the limitations of this scheme of delegation)
- e) Review the chief officer organisational structure, and recommend any changes to the Council
- f) Make changes to the Council's Scheme of Delegation which arise as a result of changes to Council structures
- g) Review the Council's administration and management arrangements and, where appropriate, make any changes necessary to improve how services are provided
- h) Maintain good working relationships within the Council and promote effective partnership working with organisations outside the Council, including through community planning
- i) Maintain a Council Plan and make sure all services keep to its requirements
- j) Have overall responsibility for carrying out the Council's role relating to emergency planning
- k) Authorise action, and agree spending in emergencies or disasters

2.2 Workforce Issues

The Chief Executive is also authorised to do the following, after consultation with the Head of Council Resources:

- ~~a)~~ a) To appoint after consultation with the Leader, Provost, and Elected Member Departmental Spokesperson, an Acting Depute Chief Executive, or Head of Service when the postholder is likely to be absent for more than 2 months, or the post is vacant
- ~~b)~~ b) To appoint after consultation with the Chief Executive NHS Lothian, Leader, Provost, and Chair of the Integrated Joint Board (IJB), an Acting Chief Officer East Lothian Health & Social Care Partnership when the postholder is likely to be absent for more than 2 months, or the post is vacant
- ~~b~~c) In conjunction with the Head of Council Resources, and with the approval of the Provost and Leader, to agree severance terms with any Chief Officer whereby the Chief Officer in question agrees to terminate their contract of employment with the Council
- ~~e~~d) To approve special leave without pay for Depute Chief Executives/Chief Officer East Lothian Health & Social Care Partnership in accordance with the provisions of the appropriate scheme of salaries and conditions of service and any guidelines issued by the Council
- ~~d~~e) To be responsible for disciplinary action against Chief Officers, up to final written warnings
- ~~e~~f) To suspend any Depute Chief Executive or Head of Service (after consultation

with the appropriate Depute Chief Executive) from duty on full pay, always subject to any appropriate statutory provisions and to reporting the suspension to the Cabinet as soon as practicable

- g) To suspend the Chief Officer East Lothian Health & Social Care Partnership in consultation with the Chief Executive NHS Lothian from duty on full pay, always subject to any appropriate statutory provisions and to reporting the suspension to the IJB as soon as practicable
- fh) To approve grades for all Depute Chief Executives/ Chief Officer East Lothian Health & Social Care Partnership and Heads of Service in consultation with the Leader of the Council.

2.3 **Strategic Management**

The Chief Executive will make proper arrangements for the strategic management (the overall management of Council activities) of the Council, particularly the following:

- a) Making sure Council policies are put into practice
- b) Making sure all parts of the Council follow policies in a consistent way
- c) Reviewing how efficient and effective the Council's management and administrative systems are
- d) Managing and developing the workforce
- e) Interpreting Council policy if queries arise, in consultation with the Leader
- f) Securing the efficient and effective implementation of the Council's programmes and policies, the deployment of resources towards that end, and the maintenance of internal and external relations
- g) Implementing and monitoring general policies adopted by the Council
- h) Providing advice and guidance to the Council on policy options.

3.0 General Duties Delegated to Depute Chief Executives/ Chief Officer East Lothian Health & Social Care Partnership

3.1 Depute Chief Executives/ Chief Officer East Lothian Health & Social Care Partnership- can delegate duties to Heads of Service within the remit as delegated to them by the Chief Executive, depending on the particular Head's suitability, qualifications and experience.

3.2 The Depute Chief Executives/ Chief Officer East Lothian Health & Social Care Partnership-have overall responsibility for the following:

- a) Using approved resources as they think fit for carrying out their duties
- b) Co-ordinating and managing their services
- c) Reviewing the performance of services and developing services
- d) Delegating duties under the Standing Orders relating to contracts entered into and issuing orders for providing goods and services in accordance with Section 1.11 – Financial Limits
- e) Transferring amounts between budgets in their control
- f) Delegating duties as set out in the Council's Financial Regulations, for normal working practices.
- g) Authorising the payment of bills for goods and services received in accordance with Section 1.11 – Financial Limits
- h) Advising the Head of Council Resources about any unusual financial obligations that will affect the Council
- i) Making sure the services comply with EU and UK statutory or legal requirements
- j) Responding to consultation documents within the set time limit, where appropriate
- k) Organising safe working procedures and processes within the current health and safety policies
- l) Maintaining proper security for staff, buildings, stocks, stores, furniture, equipment and similar items (if special arrangements are needed there should be consultation with the Head of Council Resources and the Head of Infrastructure)
- m) Making sure Council policies and procedures are consistent and are followed
- n) Providing an internal audit of Council services (Depute Chief Executive – Resources and People Services)
- o) Carrying out the duties of the Council imposed by statute pertaining to their areas of responsibility or the subject of the specific delegations of authority by the Council.

4.0 General Delegations to Heads of Service

- 4.1 Authority delegated to Depute Chief Executives/ [Chief Officer East Lothian Health & Social Care Partnership](#) may then be delegated on to Heads of Service.
- 4.2 Heads of Service must make sure that they comply with:
- relevant laws, guidance and codes of practice
 - the procedural rules of their service
 - the Council's Procurement Procedures and financial regulations
 - the Council's Standing Orders
 - the Council's human resources policies and procedures
 - all relevant plans and policies we have adopted
 - all other approved codes and procedures
 - the approved budget
 - the approved service plan(s)
 - the rules on access to information, data protection and freedom of information
- 4.3 They must set and maintain service standards to meet the Council's priorities.
- 4.4 When carrying out the duties delegated to them, Heads of Service must consult other officers if their actions will affect the responsibilities of another Head of Service. Where it is not clear which Head of Service has responsibility for a particular action or decision, the decision of the Chief Executive shall be final on the matter.
- 4.5 Where a Head of Service has been delegated authority, he or she may authorise any member of his or her staff to act on their behalf. Any Head of Service using delegated authority will be fully responsible to the Council for their actions and those of any officer they delegate the duties to.
- 4.6 Heads of Service have delegated responsibility for the following:
- a) Putting individual business plans into place and providing services set out in this Scheme of Delegation
 - b) Spending the approved budget appropriate to the services they manage
 - c) Applying for and accepting grants or a challenge fund, as long as these do not give rise to future financial commitments that the Council has to meet, or do not need the Council to provide equal funding that cannot be met from existing budgets
 - d) Managing their services within the Council's policies
 - e) Buying in supplies and services in accordance with Section 1.11 – Financial Limits
 - f) Entering into contracts in accordance with Section 1.11 – Financial Limits
 - g) Promoting, marketing or presenting events
 - h) Managing and developing the workforce within their service areas
 - i) Contributing to the development of corporate policies and procedures through the Council Management Team
 - j) Setting and reviewing existing charges for Council services to make sure the needs of the budget are met (with the introduction of new charges being the responsibility of Cabinet).
 - k) Authorising the production of publications relating to the services being provided
 - l) Serving statutory notices relating to the services being provided
 - m) Taking enforcement action when required relating to the service being provided
 - n) Suspending any employee in consultation with the Head of Council Resources
 - o) Generally making all operational decisions relating to the services being provided
 - p) Accepting the lowest or best value tender where the value or estimated value of the contract is in accordance with the Council's procurement procedures

- q) Reviewing the Council's actions and decisions and dealing with requests for information under the Freedom of Information (Scotland) Act 2002
- r) Taking decisions on formal complaints about services
- s) Carrying out the duties of the Council imposed by statute pertaining to their areas of responsibility or the subject of the specific delegations of authority by the Council.

5.0 Specific Duties and Responsibilities Delegated to the Head of Council Resources

- 5.1 Providing administrative support to the Council and Council committees
- 5.2 Providing election administration (in line with instructions from the Returning Officer)
- 5.3 Organising and running civic ceremonies
- 5.4 Providing support services for Councillors
- 5.5 Providing legal services to the Council and Council services
- 5.6 Running the Area Support Team (Children's Hearings System) and providing support services to the Children's Panel
- 5.7 Appointing and re-appointing curators ad litem and reporting officers
- 5.8 Making sure the Council complies with the Data Protection, Freedom of Information and Regulation of Investigatory Powers (Scotland) Act 2000
- 5.9 Providing a records management and archive service
- 5.10 Making arrangements for receiving and holding tenders, in line with the Council's Procurement Procedures
- 5.11 Managing public trusts (financial arrangements)
- 5.12 Providing support to Community Councils
- 5.13 Billing and collection of Council Tax and National Non-Domestic Rates
- 5.14 Obtaining warrants and charges for unpaid Council Tax and National Non-Domestic Rates
- 5.15 Billing and collection of domestic water and sewerage charges on behalf of Scottish Water
- 5.16 Billing and collecting house and garage rent
- 5.17 Processing applications for Housing Benefit, the Council Tax Reduction Scheme and the Scottish Welfare Fund
- 5.18 Providing for bad debt
- 5.19 Accounting and budgeting
- 5.20 Administering revenues (all sources of income).
- 5.21 Paying invoices
- 5.22 Administering payroll systems to ensure employees are paid correctly and that accurate returns to HM Revenue & Customs are provided
- 5.23 Managing the loans fund
- 5.24 Managing finance and operating leases (legal agreements)
- 5.25 Borrowing and lending funds to meet the Council's needs
- 5.26 Arranging the insurance the Council needs
- 5.27 Maintaining complete and wide-ranging HR management policies and procedures
- 5.28 Introducing and maintaining procurement policies and procedures
- 5.29 Managing information technology services provided to the Council and ensuring that all information technology-related goods are purchased through the IT Service
- 5.30 Settling individual insurance claims up to a maximum of £100,000
- 5.31 Investigating fraud
- 5.32 Carrying out the Council's civic government licensing role under the Civic Government (Scotland) Act 1982
- 5.33 Providing East Lothian Licensing Board with such services (including the provision of a Clerk and Depute Clerk(s)) as are required to carry out their alcohol and gambling licensing functions under the Licensing (Scotland) Act 2005 and the Gambling (Scotland) Act 2005

- 5.34 Carrying out the Council's duties and responsibilities in relation to the Licensing of Caravan Sites
- 5.35 Carrying out the Council's duties and responsibilities in terms of the Housing (Scotland) Acts and related legislation in relation to private sector housing, including licensing 'Houses in Multiple Occupation' and registering private landlords under section 84 of the Anti-Social Behaviour Act 2004
- 5.36 Managing the powers the Council has under the relevant sections of the Civic Government (Scotland) Act 1982
- 5.37 Providing administrative support to the Local Licensing Forum
- 5.38 In accordance with any relevant approved Council policies, determining appropriate interim responsibility payments up to 10% of current salary to reflect significant additional responsibilities undertaken in respect of major developments and initiatives
- 5.39 Authorising emergency financial aid to employees of up to £200.

6.0 Specific Duties and Responsibilities Delegated to the Head of Communities & Partnerships

- 6.1 Registering births, deaths, marriages and civil partnerships
- 6.2 Delivering, managing and promoting library, community and museum services
- 6.3 Managing community centres
- 6.4 Charging fees for providing library services in line with Council policies
- 6.5 Managing, developing and promoting arts programmes.
- 6.6 Running a system for charging people to take part in arts and community programmes and for helping to fund these, in line with Council policies.
- 6.7 Encouraging the development of training opportunities in the community
- 6.8 Liaising and co-operating with institutions of further and higher education, voluntary organisations, enterprise companies and other appropriate agencies to develop training and adult education
- 6.9 Setting appropriate charges for adult education classes
- 6.10 Providing policy support to the Council and its services
- 6.11 Promoting equal opportunities
- 6.12 Providing advice on corporate organisational development
- 6.13 Setting up and maintaining the Council's systems for planning services and managing performance
- 6.14 Developing community planning
- 6.15 Deciding on the level of grants to individuals and organisations within the community, up to a maximum decided by the Council
- 6.16 Giving the Council and its services advice on European funding and policies
- 6.17 Administering the Council's corporate complaints process
- 6.18 Providing communication services and dealing with the media
- 6.19 Improving customer service
- 6.20 Creating an overall strategy and policy for the Council that sets clear objectives and commitments in relation to Health, Safety and Wellbeing
- 6.21 Developing and implementing a health and safety management system to ensure that the Council is fulfilling its statutory requirements
- 6.22 Ensuring that the Council provides necessary resources, support and guidance to managers and employees to enable them to work in an environment that controls risks to their health, safety and well-being as far as reasonably practicable
- 6.23 Ensuring through the line management structure that all approved Council policies are being followed to ensure the health, safety and well-being of employees and non-employees.
- 6.24 Agreeing terms for the transfer of properties to and from the Housing Revenue Account
- 6.25 Managing the HRA budget
- 6.26 Meeting the Scottish Housing Quality Standard by 2015 for all of the Council's housing
- 6.27 Managing housing services for Council tenants in line with housing laws and Council policies
- 6.28 Letting Council houses
- 6.29 Assessing homelessness and managing the assessment process
- 6.30 Managing temporary tenancies

- 6.31 Arranging property provided to homeless clients on a temporary basis, arranging support services, furnishings and transfers to permanent accommodation
- 6.32 Taking assessed referrals of vulnerable homeless people and in conjunction with Social Services providing support services for vulnerable homeless people to standards set by the Scottish Commission for the Regulation of Care
- 6.33 Making sure that Homeless Services meet the standards laid down by the Scottish Government
- 6.34 Developing the common housing register
- 6.35 Carrying out a range of duties in relation to antisocial behaviour, community safety and homelessness, asylum and immigration, including out-of-hours service provision
- 6.36 Authorising expenses, under the Housing Act 1994, to people who are old, disabled or in poor health
- 6.37 Making sure local housing support services meet the standards set locally and by the Scottish Commission for the Regulation of Care
- 6.38 In conjunction with Social Services, putting in place the parts of the Community Planning framework aimed at regeneration providing housing solutions in those areas and supporting work between partners
- 6.39 Supporting and arranging a Care and Repair Programme in conjunction with Social Services.
- 6.40 Addressing the demand for 'Housing Renewal Areas', the Tolerable Standard, the Scottish Housing Quality Standard, repairing standards, repairing standards maintenance and repairing orders, conversions and improvements
- 6.41 Leading and developing the strategy for housing in the area and monitoring and assessing the outcome
- 6.42 Processing tenants' applications to buy their home under the 'Right to Buy' scheme.

7.0 Specific Duties and Responsibilities Delegated to the Head of Development

- 7.1 Carrying out the Council's duties as a planning authority under all planning legislation
- 7.2 Making decisions on planning applications and enforcing planning laws, subject to the Protocol set out in Section 13 of this Scheme of Delegation
- 7.3 Giving the Council advice on land use and planning matters
- 7.4 Preparing, introducing, monitoring and reviewing the development plan
- 7.5 Monitoring planning permission and other permissions, and taking enforcement action under Part V1 and V11 of the 1997 Act, including serving notices, taking direct action and prosecuting people for not keeping to such notices
- 7.6 Providing screening and scoping options under the Environmental Assessment (Scotland) Act 2005 and the Town and Country Planning (Scotland) Environmental Impact Assessment (Scotland) Regulations 2011
- 7.7 Determining requests to undertake work to trees that are either protected by a Tree Preservation Order or are within a Conservation Area
- 7.8 Providing the Council's view as planning authority on planning applications and other consultations from the SESplan planning authorities and the Scottish Government
- 7.9 Providing new developments with street names and numbers, determining requests for address changes and, where necessary, reviewing/amending addresses
- 7.10 Determining applications for grant assistance under a Conservation Area Regeneration Scheme
- 7.11 Carrying out the Council's duties under the terms of the Building (Scotland) Acts and related laws
- 7.12 Managing the powers the Council has under the relevant sections of the Civic Government (Scotland) Act 1982
- 7.13 Carrying out the Council's duties under the Safety of Sports Grounds Act 1975
- 7.14 Carrying out the Council's duties and exercising powers under The Land Reform (Scotland) Act 2003
- 7.15 Carrying out the Council's duties under trading standards and consumer protection laws
- 7.16 Carrying out duties as the local weights and measures authority
- 7.17 Carrying out duties as the petroleum licensing authority
- 7.18 Carrying out the Council's duties relating to public health and related matters
- 7.19 Carrying out the Council's duties and responsibilities as Food Authority under the Food Safety Act 1990, Agriculture Act 1970 and other legislation
- 7.20 Carrying out the Council's duties in relation to enforcement of Health & Safety legislation
- 7.21 Carrying out the Council's duties and responsibilities in relation to the registration, monitoring and improvement of private water supplies
- 7.22 Carrying out the Council's duties and responsibilities in relation to smoke free/tobacco control legislation
- 7.23 Carrying out the Council's duties in relation to the Climate Change (Scotland) Act requirements
- 7.24 Carrying out the Council's duties under the Environmental Protection Act and any regulations or orders made under it
- 7.25 Managing the Council's roles and responsibilities in relation to environmental services

- 7.26 Agreeing terms for purchasing the heritable property (land and buildings) needed for any of the Council's where this action is within the approved capital programme
- 7.27 Agreeing settlements for compensation claims under the Land Compensation (Scotland) Acts and related laws when the total cost is within the amount approved by the Council for such claims
- 7.28 Settling claims for professional fees and costs in connection with buying and selling land, and compensation claims of up to £15,000
- 7.29 Agreeing terms for granting or taking 'minutes of waiver', and for granting or taking 'wayleaves' or 'servitude rights'
- 7.30 Agreeing terms for granting, taking or renewing leases and tenancies of land or buildings, or such other agreements relating to the use of land and buildings, within the limits of the relevant budget
- 7.31 Agreeing all matters arising from leasing a property, including reviewing rents and granting permission for transferring leases, sub-lettings, change of use and alterations, ending leases, evicting tenants from Council-owned properties, and recovering overdue rent and other charges
- 7.32 Agreeing terms to dispose of property where the property has been advertised for sale. If the highest offer is not to be accepted or the property is to be sold without having been advertised for sale, the matter is referred to Cabinet
- 7.33 Agreeing terms for the disposal of small areas of open space ground on the Housing Revenue Account or managed by Landscape & Countryside, where such areas are not advertised for sale
- 7.34 Declaring property surplus to requirements and placing on the market for sale
- 7.35 Agreeing terms for an excambion of land required for any of the Council's functions where this action is within the approved capital programme
- 7.36 Providing a Local Housing Strategy
- 7.37 Leading and developing the strategy for housing in the area and monitoring and assessing the outcome
- 7.38 In conjunction with Social Services, putting in place the parts of the Community Planning framework aimed at regeneration providing housing solutions in those areas and supporting work between partners
- 7.39 Taking decisions on new build housing locations and costs
- 7.40 Leading, managing and carrying out the Council's duties and responsibilities in relation to economic development and housing investment
- 7.41 Taking decisions in relation to grants for economic development activities, to both the private and third sectors
- 7.42 Managing and supervising performance of services relating to environment and engineering contracts
- 7.43 Ensuring that buildings and land under Council control comply with appropriate statutory, regulatory and corporate standards
- 7.44 Provide the following services:-
 - Asset Management
 - Estates Management
 - Architecture and Design
 - Cost Planning and Procurement of Capital Works
 - Mechanical and Electrical Engineering
 - Energy Services

- Asbestos Management
- Development Management
- Development Planning
- Environmental Protection
- Food Standards
- Trading Standards

8.0 Specific Duties and Responsibilities Delegated to the Head of Infrastructure

- 8.1 Carrying out the Council's duties under the Burial Grounds (Scotland) Act 1855 to provide and manage burial grounds
- 8.2 Managing the Council's roles and responsibilities relating to land services
- 8.3 Providing public conveniences and amenity services
- 8.4 Providing street lighting and street care
- 8.5 Carrying out the Council's duties in relation to transport and fleet management
- 8.6 Carrying out the Council's duties as a roads authority
- 8.7 Carrying out the Council's duties in relation to public transport
- 8.8 Administering the concessionary fares scheme for public transport
- 8.9 Delivering Leisure Services, in conjunction with enjoy East Lothian Limited
- 8.10 Managing the sports development service
- 8.11 Managing the powers the Council has under the relevant sections of the Civic Government (Scotland) Act 1982
- 8.12 Managing the property maintenance service
- 8.13 Managing and supervising building, cleaning and catering services
- 8.14 Managing mailroom and security services
- 8.15 Delivering waste services
- 8.16 Managing the maintenance of harbours
- 8.17 Providing landscape and countryside services.

9.0 Specific Duties and Responsibilities Delegated to the Head of Education

- 9.1 Providing guidelines and existing/current policies in response to Scottish Government and other consultations on the curriculum, developing the curriculum, and carrying out associated work
- 9.2 Making arrangements for placing children with additional support needs in schools (including, where appropriate, residential schools) not managed by the Council
- 9.3 Considering requests for placing in schools from parents whose children, including those with special educational needs, might not be admitted to schools of their choice; and for their child's early admission to primary school
- 9.4 Taking responsibility for the provision of Early Years services
- 9.5 Providing an educational psychology service
- 9.6 Approving co-ordinated support plans for individual pupils
- 9.7 Carrying out the Council's legal duties relating to pre-school children with extra support needs
- 9.8 Offering places, in line with criteria agreed by the Council, in nurseries and family centres managed by the Council
- 9.9 Providing for, in accordance with resources available to the Council, out of school care and similar services
- 9.10 Administering appropriate charges as set by the Council for music lessons and similar services
- 9.11 Making arrangements for entering pupils for public examinations
- 9.12 Paying fees and other costs (as necessary) in connection with public examinations
- 9.13 Setting appropriate charges for pre-school services in the Council area
- 9.14 Deciding how the educational trust run by the Council will distribute their funds in line with the relevant trust schemes
- 9.15 Carrying out the Council's duties relating to managing, assessing and awarding higher school bursaries
- 9.16 Making arrangements for school catchment areas to be agreed and pupils to be transferred from primary school to secondary school
- 9.17 Approving the involvement of teaching staff in recognised programmes outwith the UK
- 9.18 Approving applications (from head teachers or suitably qualified youth workers employed by the Council) for permission for staff to accompany groups of school pupils or other young people on recognised exchanges or excursions outwith the UK
- 9.19 Carrying out the Council's duties and responsibilities under the Children and Young People Act 2014 by providing a named person service for nursery and school-age children, publishing information about the operation of the named person service, and helping the named person, including sharing information with them
- 9.20 Ensuring the provision of free school lunches to those children entitled to them.

10.0 Specific Duties and Responsibilities Delegated to the Head of Children's Wellbeing

- 10.1 Entering into contracts with private and voluntary agencies for carrying out the Council's duties under the National Health Service and Community Care Act 1990
- 10.2 Taking decisions, in consultation with the Council's Section 95 Officer, on applications for changing maintenance rates for private or voluntary homes not covered by the National Health Service and Community Care Act 1990
- 10.3 Taking responsibility for the provision of Children and Families social care services
- 10.4 Setting fees for curators ad litem, foster and kin carers, and community carers
- 10.5 In line with government guidelines, ensuring maintenance of the Child Protection Register of children in need of protection from abuse
- 10.6 Carrying out the Council's duties and responsibilities under the Children and Young People Act 2014 by: providing continuing care to formerly looked after children, providing services to children at risk of becoming accommodated, making arrangements to secure that kinship care assistance is available; and meeting the duties as an adoption agency.

11.0 Specific Duties and Responsibilities Delegated to the Head of Adult

Wellbeing Services

- 11.1 Entering into contracts with private and voluntary agencies for carrying out the Council's duties under the National Health Service and Community Care Act 1990
- 11.2 Taking decisions, in consultation with the Council's Section 95 Officer, on applications for changing maintenance rates for private or voluntary homes not covered by the National Health Service and Community Care Act 1990
- 11.3 Taking responsibility for arranging and providing Community Care Services, including assessments of needs and the care to meet those assessed needs
- 11.4 Co-operating with local Community Justice Authorities to promote best practice in providing Criminal Justice Services.
- 11.5 Securing appropriate resources from Community Justice Authorities in connection with providing Community Justice Services
- 11.6 Working with Community Justice Authority partners to pool resources and work together in the best interests of the Council's Criminal Justice Services.

12.0 Specific Duties and Responsibilities Delegated to the Head of Access and Older People

- 12.1 Entering into contracts with private and voluntary agencies for carrying out the Council's duties under the National Health Service and Community Care Act 1990
- 12.2 Taking decisions, in consultation with the Council's Section 95 Officer, on applications for changing maintenance rates for private or voluntary homes not covered by the National Health Service and Community Care Act 1990
- 12.3 Taking responsibility for arranging and providing Community Care Services, including assessments of needs and the care to meet those assessed needs

12.0 Statutory Appointments of Officers

12.1 Under various laws, the Council must appoint officers for a variety of purposes. Officers appointed to perform these roles are authorised to take the actions that are an essential part of their roles. The 'statutory appointments' that the Council has made are set out in this section.

Relevant Law	Role	Proper Officer
Social Work (Scotland) Act 1968		
Section 3	Chief Social Work Officer	Head of Adult Wellbeing Services
Local Government (Scotland) Act 1973		
Section 33a	Proper officer for receiving councillors' declarations that they accept their role (declaration of acceptance of office)	Chief Executive
Section 33a(3)	Officer the declaration of acceptance of office can be made to	Chief Executive
Section 34	Proper officer for receiving councillors' resignations	Chief Executive
Section 40	Proper officer for receiving general notices from councillors about any financial interest in a matter, and for recording the councillors' interests	Monitoring Officer
Section 43 and paragraph 1 (4) of schedule 7	Proper officer for receiving requests for special Council meetings	Chief Executive
Section 43 and paragraph 2 (1) of schedule 7	Proper officer for signing summonses to special Council meetings	Chief Executive
Section 43 and paragraph 2 (2) of schedule 7	Proper officer for receiving a councillor's notice of an alternative address	Head of Council Resources
Section 50b	Proper officer for preventing reports containing sensitive information from being available to the public, and for providing documents to the press	Chief Executive/Depute Chief Executive in consultation with Head of Council Resources
Section 50c	Proper officer for providing a written summary when the minutes of a meeting cannot be made available to the public	Head of Council Resources
Section 50f	Proper officer for deciding which documents are not open to inspection	Chief Executive/ Depute Chief Executive in consultation with Head of Council Resources
Section 92	Proper officer for transferring securities	Depute Chief Executive (Resources and People Services)
Section 95	Proper officer for managing our financial affairs	Head of Council Resources
Section 145	Proper officer for asking Ordnance Survey for information	Depute Chief Executive (Partnerships and

		Community Services)
Section 190	Proper offices for serving notices on behalf of the Council and starting legal proceedings	Chief Executive/ Heads of Service / Service Manager – Legal and Procurement
Section 191	Proper officer for signing any claim on behalf of the Council in any sequestration (property taken from the owner to cover a debt or to keep to a court order), liquidations (where assets are sold off to help repay debts) and similar proceedings where we are entitled to make a claim	Chief Executive/Depute Chief Executive (Resources and People Services)/ Service Manager - Legal And Procurement, in consultation with Head of Council Resources
Section 193	Proper officer for signing notices and orders	The Depute Chief Executive/Head of Service responsible for the service of the notice or order relates to in consultation with the Service Manager – Legal and Procurement
Section 194	Proper officer for signing deeds and using the Council's seal	Chief Executive Service Manager – Legal and Procurement/ Service Manager – Licensing, Admin and Democratic Services
Section 197	Proper officer for arranging for documents to be inspected and filed	Head of Council Resources
Section 202	Proper officer for confirming that byelaws are valid and for sending copies to other relevant authorities	Service Manager – Legal and Procurement
Section 202B	Proper officer for putting valid byelaws in the register of byelaws	Service Manager – Legal and Procurement
Section 204	Proper officer for providing certificates as evidence of byelaws	Service Manager – Legal and Procurement
Section 206	Proper officer for keeping a register of people who are made 'freemen' of the area	Head of Council Resources
Section 231	Proper officer for asking the Sheriff about matters arising from the Local Government (Scotland) Act 1973	Chief Executive/Depute Chief Executive in consultation with the Service Manager – Legal and Procurement
Licensing (Scotland) Act 2005		
Paragraph 8(1) (a) of Schedule 1	Clerk of the Licensing Board	Service Manager – Licensing, Administration and Democratic Services
Civic Government (Scotland) Act 2005		
Section 113	Proper officer for keeping evidence of	Head of Council

	management rules	Resources
Ethical Standards in Public Life Etc (Scotland) Act 2000 (Register of Interests) Regulations 2003		
Section 7(1)	Proper officer for setting up and keeping the register of councillors' business, personal and financial interests, and making these available to the public	Monitoring Officer
Representation of the People Act 1983		
Section 41	Returning Officer	The person appointed by the Council, presently postholder of Chief Executive
Weights and Measures Act 1985		
Section 72(1)(a)	Chief inspector of weights and measures	Depute Chief Executive (Partnerships and Community Services)
Local Government and Housing Act 1989		
Section 2	Proper officer for keeping lists of posts that are politically restricted (limited activities)	Head of Council Resources
Section 4	Head of Paid Service	Chief Executive
Section 5	Monitoring Officer	Depute Chief Executive (Partnerships and Community Services)
Section 19	Proper officer for receiving notices of councillors' business, personal and financial interests and keeping records of them	Head of Council Resources
Environmental Protection Act 1990		
Section 149 (1)	Officer appointed to carry out our role of dealing with stray dogs in the area	Depute Chief Executive (Partnerships and Community Services)
Local Authorities (Contracts) (Scotland) Regulations 1997		
Regulation 4	Proper officer for certification purposes (powers to enter into a contract or other matters)	Head of Council Resources

The Scottish Local Government Elections Order 2007		
Rule 57	Proper officer for receiving all election-related documents after an election	Chief Executive
The Regulation of Investigatory Powers (Scotland) Act 2002		
Section 6	Authorising Officer Directed Surveillance	Chief Executive
Section 7	Authorising Officer Covert Human Intelligence Sources	Chief Executive

12.2 The proper officers appointed for the roles set out in part 12.1 cannot delegate their duties to other officers. However, if they cannot carry out their delegated duties because they are not available, the following officers will carry out their duties:-

Proper officer appointed for the roles set out in part 12.1	Officer who will carry out duties if the proper officer is not available
If the Returning Officer is not available for election purposes	Depute Returning Officer
If the Depute Chief Executive (Partnerships and Community Services) is not available to act as the Monitoring Officer	Service Manager – Legal and Procurement Service Manager – Licensing, Administration and Democratic Services
If a Depute Chief Executive is not available to act as an officer	The relevant Head of Service
If the Service Manager – Licensing, Administration and Democratic Services is not available to act as Clerk to the Licensing Board	Service Manager – Legal and Procurement/ Senior Solicitor
If the Chief Executive is not available to act as the Head of Paid Service	Depute Chief Executive as agreed
If the Head of Adult <u>Wellbeing Services</u> is not available to act as the Chief Social Work Officer	Children's Wellbeing and Adult Wellbeing Service Managers and the Area Practice Manager, Children's Wellbeing
If the Head of Council Resources is not available to act as Section 95 Chief Finance Officer	Depute Chief Executive (Resources and People Services)

13.0 Scheme of Delegation for Planning Applications

13.1 Decisions in relation to planning applications

- a. Delegated Decisions – ‘Local Developments’ as defined in the Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2008 shall be determined by the Service Manager – Planning without reference to Members, subject to 13.1(b) below. Such determination shall include, where appropriate, authority for the Council to enter into any legal agreement in terms of Section 75 of the Town and Country Planning (Scotland) Act 1997 or otherwise and authority for the Council to take enforcement action in instances where retrospective planning permission is refused for unauthorised development.
- b. Scheme of Delegation List - A list of reports on applications to be decided under delegated authority in terms of 13.1(a) above which raise important planning issues and/or are subject to any amount of public objection shall be circulated each week to Members, who then shall have seven days in which to request referral to the Planning Committee, otherwise the officer decision shall be issued by the Service Manager – Planning in terms of 13.1(a) above. The Member who has requested referral to the Planning Committee shall prepare the Statement of Reasons for issue by the Planning Authority giving the reasons why the Planning Committee and not the Service Manager – Planning should determine the application.
- c. Reports to the Planning Committee – the following applications shall be reported to and determined by the Planning Committee:
 - (i) Applications for ‘National Developments’ as defined in the Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2008;
 - (ii) Applications for ‘Major Developments’ as defined in the Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2008; and
 - (iii) Applications referred by a Member or Members of the planning authority in terms of 13.1(b) above.

13.2 Decisions in relation to enforcement of planning control

- a. Authority for service of Planning Contravention Notices and Breach of Condition Notices will be delegated to the Service Manager, Development Management and will be reported for Members’ information to the Members’ Library.
- b. Committee Expedited List – reports recommending service of Enforcement Notices, Stop Notices and Notices under Section 179 (“Land Adversely Affecting Amenity of Neighbourhood”) of the Town and Country Planning (Scotland) Act 1997 shall be circulated each week to Members, who then shall have seven days in which to request referral to the Planning Committee, otherwise the officer recommendation is deemed to be accepted and the Service Manager – Planning shall be authorised to proceed on that basis.
- c. Reports to the Planning Committee – Notices, as set out in 13.2(b) above, referred by Members from the Committee Expedited List.

13.3 Decisions in relation to the variation, modification or discharging of planning obligations

- a. Authority to determine applications to vary, modify or discharge planning obligations, in terms of the Town and Country Planning (Modification and Discharge of Planning Obligations) (Scotland) Regulations 2010
- b. Authority to determine applications to vary modify or discharge Good Neighbour Agreements, in terms of the Town and Country Planning (Modification and Discharge of Good Neighbour Agreements) (Scotland) Regulations 2010.

REPORT TO: East Lothian Council

MEETING DATE: 27 October 2015

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Replacement Minute of Agreement in Respect of
Musselburgh Joint Racing Committee

10

1 PURPOSE

- 1.1 To seek approval for a new Minute of Agreement regulating the constitution and operation of the Musselburgh Joint Racing Committee.

2 RECOMMENDATIONS

- 2.1 Council is asked to approve the terms of the Minute of Agreement, attached as Appendix 1 to this Report.
- 2.2 Council is asked to agree to an interim review of the rental for the Racecourse, as set out in paragraph 3.4.

3 BACKGROUND

- 3.1 Musselburgh Joint Racing Committee (“MJRC”) currently manages the business of Musselburgh Racecourse, all in accordance with the terms of a Minute of Agreement between East Lothian Council and the Lothian Racing Syndicate Ltd. This Agreement was signed in 2011. Since that time, there have been a number of changes in the racing environment and in the case law relating to alienation of Common Good land. To reflect these changes and to better regulate the constitution and operation of MJRC, it is proposed that the existing Minute of Agreement be replaced with an updated and amended version, as attached as Appendix 1.
- 3.2 The substantive changes proposed in this new Agreement are as follows:-
- 3.2.1 Appending the Terms of Reference for the Chair of MJRC and the Chair of the Racecourse, setting out the respective roles and remits of each;

- 3.2.2 Clarifying the circumstances in which the Council may terminate the Agreement and withdraw from participation in the business of the Racecourse;
- 3.2.3 More detail about the procedure to be followed if there is to be a transfer of responsibility to Lothian Racing Syndicate, including an indemnity in respect of staff transferring from the Council; and
- 3.2.4 Changes to reflect the current case law relating to alienation of the Common Good land with removal of references to leasing the land and insertion of provisions relating to a right to occupy and enclose the land on race days.
- 3.3 The remaining changes are stylistic or minor and do not affect the meaning of the Agreement.
- 3.4 As part of agreeing to the amendments to the Minute of Agreement, the Lothian Racing Syndicate requested an interim review of the rental for the Racecourse be carried out by an independent valuer. In terms of the Minute of Agreement, the next scheduled review is to be held in 2018. However, the Lothian Racing Syndicate considers that the current rental valuation as set by the District Valuer is high and wishes this to be considered by another independent valuer, the costs of which will be met by the MJRC.

4 POLICY IMPLICATIONS

- 4.1 The replacement Minute of Agreement better reflects the current context within which MJRC operates and the current legal position. It gives greater certainty to all parties about possible termination of the current arrangements which will enable the Racecourse to plan its operations on a longer term basis.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – no direct financial implications from this report.
- 6.2 Personnel - none.
- 6.3 Other - none.

7 BACKGROUND PAPERS

7.1 Copy of Current Minute of Agreement dated March 2011

AUTHOR'S NAME	Morag Ferguson
DESIGNATION	Service Manager – Legal and Procurement
CONTACT INFO	Tel Ext 7770 email: mferguson@eastlothian.gov.uk
DATE	8 th October 2015

MINUTE OF AGREEMENT

Between

EAST LOTHIAN COUNCIL
incorporated under the Local
Government Etc. (Scotland) Act
1994 and having its principal
office at John Muir House,
Haddington, East Lothian,
together with its statutory
successors (hereinafter referred
to as “the Council”)

and

**LOTHIANS RACING SYNDICATE
LIMITED**, (Company Number:
SC002032) incorporated under
the Companies Acts and having
its registered office at
Musselburgh Racecourse,
Linkfield Road, Musselburgh
EH21 7RG (hereinafter referred
to as “the Syndicate”)

Whereas, we, the Council and the Syndicate, CONSIDERING THAT:-

- (ONE) The area of land known historically as Musselburgh Links forms part of the common good land of the former Burgh of Musselburgh, now vested in the Council as administrators of the Common Good of the Burgh of Musselburgh, as successors to the Provost, Magistrates and Councillors of the former Burgh;
- (TWO) Horse racing has been organised upon Musselburgh Links since 1816 and for many of those years by a series of arrangements between the Council and their predecessors and the Syndicate and their predecessors; and

(THREE) In order to secure the future of horse racing upon Musselburgh Links it is now considered expedient to replace the current Minute of Agreement between East Lothian Council and the Syndicate dated 4th March 2011; THEREFORE, we, the Council and the Syndicate, HAVE AGREED as follows:-

1. The terms of this Minute of Agreement shall replace in their entirety, the terms of the Minute of Agreement between the Council and the Syndicate dated 4th March 2011 and registered in the Books of Council and Session on 5th July 2011 and the terms of the Minute of Variation of the said Minute of Agreement dated 26th and 27th March 2013 and registered in the Books of Council and Session on 2nd May 2013 together with any preceding Agreements between the Council and the Syndicate.

CONSTITUTION OF MUSSELBURGH JOINT RACING COMMITTEE

2. The business of Musselburgh Racecourse (hereinafter referred to as “the Racecourse”) shall be governed by the joint committee known as the Musselburgh Joint Racing Committee (hereinafter referred to as “MJRC”). The membership of MJRC shall comprise four persons nominated by the Council and three persons nominated by the Syndicate. MJRC shall operate the business of the Racecourse on a non-profit basis with all funds being reinvested in accordance with the terms of Clause 9(viii).

APPOINTMENT AND REMIT OF CHAIRMEN

3. The Chairman of the MJRC shall be appointed by the Council and the Chairman of the Racecourse shall be appointed by the Syndicate. The respective remits of the two Chairmen shall be as set out in the Terms of Reference attached as Appendix 1 to this Agreement but may be amended from time to time by the MJRC. For the avoidance of doubt, such amendment shall not be an amendment in terms of Clause 5, nor shall it be considered a variation to this Agreement requiring the consent of both the Council and the Syndicate. In the event of any amendments to the Terms of

Reference, MJRC shall, within one month of the date of the amendment, provide a copy of the new Terms of Reference to both the Council and the Syndicate. . Both Chairmen shall work cooperatively in the best interests of Musselburgh Racecourse.

REMIT OF MJRC

4. The remit of MJRC shall be to provide, organise, safeguard, maintain, develop and improve, or assist in the provision, organisation, safeguarding, maintenance, development and improvement of horse racing and facilities for horse racing at Musselburgh Links, to manage and organise horse racing thereon, to carry out the business of the Racecourse and to carry out such other related and ancillary function or functions as may be appropriate from time to time, to include all or any of the following:-
 - (i) To fix, subject to the approval of the British Horse Racing Authority (or such other regulatory authority to which the duties of the British Horse Racing Authority shall devolve) the dates of race meetings to be held on the Racecourse.
 - (ii) To fix the amount of prize money to be paid in respect of racing events at such meetings.
 - (iii) To supervise generally the collection of income and the disbursement of expenditure in connection with such race meetings.
 - (iv) To fix charges or admission for such race meetings and for the parking of motor cars on land in the control of the MJRC at times when such meetings are held.
 - (v) To agree the recruitment and remuneration to be paid to persons employed in connection with such race meetings and generally in the operation of the Racecourse.
 - (vi) To make all arrangements in connection with such race meetings for the provision of meals and refreshments and catering generally, the letting and hiring of stances for the sale of any articles and the display of advertisements within all enclosures and for advertising and general publicity.

- (vii) To make all arrangements for the carrying out of improvements to any land managed by the MJRC and for the general maintenance and upkeep of said land and of any buildings, stands, rails, posts, fences and other apparatus erected thereon.
- (viii) To seek to maximise use of the buildings used for the purposes of the Racecourse and income therefrom for non-racing purposes, in so far as such use does not detract from or interfere with the operation of the Racecourse for its primary purpose of horse racing and does not otherwise cause disturbance to and widespread opposition from residents in the immediate vicinity of the Racecourse. For the avoidance of doubt no such resident or residents shall be able to rely on the terms of this paragraph as giving them any right, title or interest to object to, or raise any proceedings in respect of, any such purpose or activity.
- (ix) To appoint a General Manager to oversee the operation of the Racecourse, declaring that such an appointment shall require the agreement of at least five of the members of the MJRC before it is approved, and to approve a Scheme of Delegation granting authority to the General Manager and other officers as the MJRC consider appropriate to ensure the efficient and effective operation of the Racecourse.

- 5. The constitution and remit of MJRC under this Minute of Agreement shall not be amended without the agreement of at least five of the members of MJRC at a meeting specially arranged for the purposes of considering any such amendment, and any such amendment shall also require the approval of the Council before it is implemented.

PROCEDURE FOR MEETINGS OF MJRC

- 6.
 - (i) The Council's Chief Executive or nominee will act as Secretary to MJRC.

- (ii) Meetings shall be called by notice issued by the Council's Chief Executive. The notice shall specify the agenda for the meeting and shall be accompanied by the relative reports to be discussed at the meeting.
- (ii) Meetings may also be called by written requisition of the Syndicate addressed and sent to the Council's Chief Executive specifying the agenda for the meeting. Where such a written requisition is made, the Council's Chief Executive shall, within 21 days, issue the notice calling the meeting and the other terms of this clause shall apply.
- (iv) The agenda shall, whenever possible, be issued seven days prior to the meeting.
- (v) The Chairman of MJRC or in the absence of the Chairman of the MJRC, a substitute nominated by the Council representatives on the MJRC, shall preside at all meetings of the MJRC.
- (vi) In considering any report, and prior to voting upon it, the Committee shall have regard to the views of the General Manager of the Racecourse.

MINUTES

- 7. An officer of the Council shall be responsible for taking minutes of the meetings of MJRC and the minutes shall be submitted to the next convenient meeting of MJRC for approval. Notwithstanding this arrangement, a copy of the draft minutes shall be issued to all members of MJRC within 21 days of the meeting to which they refer.

QUORUM AND VOTING

- 8.
 - (i) Four members comprising at least three Council representatives and one Syndicate representative shall form a Quorum at meetings of MJRC.
 - (ii) In the event of a vote being taken and tied, the Chairman or substitute Chairman of MJRC shall have a casting as well as a deliberative vote.

FINANCIAL ARRANGEMENTS

9.

- (i) All receipts and sums received by MJRC from whatever source in respect of race meetings and any other activities held at or associated with Musselburgh Racecourse or otherwise shall be credited to and form part of a fund to be kept under the general supervision and control of MJRC. All expenditure and liabilities incurred by or under the proper authority of MJRC in respect of such race meetings and other activities or otherwise shall be met out of that fund, including, for the avoidance of doubt, all rates, taxes, feuduty, Occupancy Payments (calculated in accordance with Clause 10 hereof) and insurance payable in respect of any land and buildings in the control of MJRC and all management and audit expenses in connection with the said race meetings and other activities.
- (ii) MJRC shall keep proper books of account in accordance with the accounting rules applicable to a subsidiary of a Scottish local authority and the British Horseracing Authority. It shall be the duty of MJRC to gather in all receipts and sums receivable falling to be credited to the fund and to meet all expenditure falling to be met from the fund.
- (iii) MJRC shall maintain a bank account for the purposes set out in Clause 9(ii) above.
- (iv) No payments shall be made out of the fund except on the specific instructions of MJRC or in accordance with the Scheme of Delegation established in accordance with Clause 4(ix) above. However, an amount to cover the reasonable auditing, company secretarial, and administrative expenses incurred by the Syndicate as a consequence of participating in the operation of the Racecourse, together with such other expenses as may be subsequently agreed by the MJRC from time to time shall be chargeable to the expenses of the Racecourse.
- (v) The financial period of MJRC shall end on the 31st of March each year.
- (vi) MJRC will consider, at or before the February meeting in each year, estimated accounts for the following financial period.

- (vii) The books of account of MJRC shall be made available for inspection by the Council and the Syndicate on request and shall be audited annually by an independent auditor appointed by MJRC. Draft accounts in a format consistent with the Council's group accounts shall be provided to the Council within two months of the end of each financial period. The audited accounts for each financial period shall be made available for inspection by MJRC not later than four months after the expiry of each financial period.
- (viii) All profits arising from the operation of racing and any other activities held at or associated with Musselburgh Racecourse shall be reinvested towards the improvement of racing at Musselburgh and the facilities available therefore. Neither the Council nor the Syndicate shall be entitled to withdraw any share of the profits made.

PROPERTY AND EQUIPMENT

10.

- (i) For the avoidance of doubt, the parties agree that all Racecourse assets, including fixed assets, equipment, plant, machinery and credit balances held by the MJRC from time to time are the property of the Council and ownership of same vests in the Council.
- (ii) Notwithstanding the terms of Clause 10(i) above, the parties acknowledge that the fixed assets, equipment, plant, machinery and credit balances are exclusively for use in connection with the operation of the Racecourse. MJRC shall prepare and submit to the Council an annual inventory of the equipment, plant and machinery showing any changes since the submission of the previous inventory. Any decisions on the sale or acquisition of equipment, plant or machinery shall be taken by MJRC. Any receipts generated from the sale of any equipment, plant and machinery shall be ring-fenced in the accounts and used by the MJRC as working capital. The cost of any maintenance and acquisition of new or replacement equipment, plant or machinery shall be met by the MJRC.

- (iii) The Council, in its capacity as administrator of the Musselburgh Common Good land and funds, confirms that the MJRC shall be entitled to enclose the Racecourse, or any part or parts of it, for up to four days in advance of each day on which a race meeting is scheduled to be held and one day after each such race meeting. During these periods, MJRC shall be entitled to determine the terms upon which individuals may access the Racecourse, including on payment of a charge. MJRC shall seek to minimise the periods and extent to which the Racecourse requires to be enclosed having regard to the safety and operational requirements of a race meeting.
- (iv) In exchange for the right to occupy the Racecourse and use the Racecourse assets, all as set out in this Agreement, MJRC shall pay to the Council an Occupancy Payment at a level to be determined in accordance with Clause 10(vi) below.
- (v) As the land upon which the Racecourse is located is part of Musselburgh Common Good land, the Council shall pay to the Musselburgh Common Good Fund such part of the Occupancy Payment received in terms of Clause 10(iv) above as is applicable to the occupancy of the Common Good land. The Council shall take advice from the District Valuer in assessing this sum if it considers this necessary.
- (vi) The initial Occupancy Payment payable under Clause 10(iv) above shall be of such amount as shall be intimated by the Council to MJRC following a reference to the District Valuer to assess an appropriate level of payment.
- (vii) The parties acknowledge that, part of the complex of buildings at the Racecourse includes buildings and facilities which are used by the Council. Officers of the Council and the General Manager of the Racecourse shall meet to agree a division of the use of these buildings prior to the instruction of the District Valuer in calculation of the Occupancy Payment in terms of Clause 10(vi). For the avoidance of doubt, notwithstanding the use of the cafeteria within the Racecourse on race days the Council shall be entirely responsible for the rental applicable to the cafeteria.

(viii) The level of the Occupancy Payment shall be reviewed by the District Valuer every five years, with the first review taking place from 1st April 2018, notwithstanding the date or dates of this Agreement. The new Occupancy Payment, after review, shall be payable in terms of the foregoing Clauses, from the date of review without further authorisation. In instructing any such review, the District Valuer shall be advised of, and shall take account of, the terms of Clause 11 of this Minute of Agreement relating to maintenance and insurance obligations and shall disregard the value of any improvements and additions paid for by MJRC. A schedule of such improvements and additions shall be agreed between the MJRC and the Council and submitted to the District Valuer along with each request for a review of the Occupancy Payment.

MAINTENANCE AND INSURANCE OBLIGATIONS

11. MJRC shall be responsible for meeting the following costs:-
 - (i) Maintenance costs for all buildings and fixed assets, subject to the provisions of Clause 14 in respect of the New Stables Pavilion Complex;
 - (ii) Costs (including maintenance) for all equipment, plant and machinery;
 - (iii) All insurance premiums in respect of cover for buildings, contents, employer's liability and public liability and for any other insurable risks as determined by MJRC. The Council shall arrange all such insurance cover on behalf of MJRC and the premiums shall be reimbursed to the Council by MJRC.

12. Subject to Clause 14, MJRC accept the buildings and fixed assets as being in good condition and fit for purpose and will, at all times, maintain them in that condition and keep them wind and water tight.

13. Subject to Clause 14, an annual inspection of the buildings and fixed assets will be undertaken by a member of MJRC and an officer of the Council in order to determine what maintenance works are required in order to comply

with the requirements of Clause 12. MJRC shall thereafter instruct and meet the cost of all such works as are identified. Should the Council and MJRC agree that it is appropriate, an independent architect or surveyor may be jointly instructed to carry out his own inspection and the cost of this inspection and report will be shared between the Council and MJRC.

14. The New Stables Pavilion Complex shall be maintained in accordance with the following procedure:-
 - (i) The Council shall be responsible for organising and carrying out, or procuring the carrying out, of any maintenance work that the Council considers is required;
 - (ii) Prior to carrying out or procuring the carrying out of any such maintenance work, the Council shall provide to MJRC a copy of the specification of the proposed maintenance work, including an estimate of the cost that will require to be met by MJRC.
 - (iii) MJRC shall be permitted a reasonable period to consider the terms of the specification and the estimated cost and to raise any questions or concerns that they may have regarding these matters. The Council shall endeavour to address any such questions or concerns with a view to reaching a mutually agreed position.
 - (iv) In the event that the parties cannot agree the position, either party may refer the matter to Arbitration in accordance with the provisions of Clause 19. Notwithstanding this, the Council may elect to carry out the maintenance work in the meantime if this is considered necessary to safeguard the fabric of the building.

15. In the event of any dispute between the parties as to whether any works or part of works are maintenance works, and thus the responsibility of MJRC, either the Council or MJRC may refer the matter to Arbitration in terms of Clause 19.

16. In the event that MJRC intend to undertake any new building works or alterations at the Racecourse they shall first advise the Council in writing of their intention to do so and shall not proceed with the works until they have

received written consent to so do; such consent not to be unreasonably withheld.

INDEMNITY

17. The Council shall indemnify the Syndicate and persons nominated by the Syndicate from time to time in respect of any liability they may incur in connection with or arising from the transactions undertaken and approved by MJRC.

TERM AND TERMINATION

18.
 - (i) These presents shall take effect from the last date of execution hereof and shall subsist until terminated by (a) the written agreement of the parties hereto; or (b) the transfer of the business to the Syndicate or to the Syndicate along with a body nominated by the Syndicate in terms of Clause 18(ii); or (c) by the service of notice by the Council in terms of Clause 18(iii).
 - (ii) Should MJRC incur a cumulative loss in their accounts when viewed over any rolling three year period, the Council may decide to terminate this Agreement. For the purposes of this Clause, the loss for the year in question will be as shown in the annual audited accounts of the Racecourse business as the loss directly relating to race days and adding to that figure the fixed income and deducting the fixed expenditure as per the audited accounts. In this event, the Council, the Syndicate and the MJRC shall follow the following procedure:-
 - a. This notice shall give the Syndicate a period of six months in which time the Syndicate may indicate by written notice to the Council that it wishes, either itself or along with another party or parties, (the identities of whom are subject to the prior approval of the Council, such approval not to be unreasonably withheld) to carry

out the management and business of the Racecourse. This period shall be extended if necessary so as to give the Syndicate a clear period of three months from the date of receipt by them of the valuation referred to in Clause 18(ii)(b) prior to serving such written notice on the Council.

- b. Immediately following service of notice by the Council in terms of (a) above, the parties shall instruct an experienced and appropriate independent Valuer agreed by the parties to ascertain a true and fair market value for the assets and liabilities of the business of the Racecourse, taking into account any payments made by the MJRC towards the cost of any such assets, regardless of the ownership thereof being vested in the Council. Should the Syndicate indicate that it does wish to proceed with the purchase of the business, the figure in the valuation shall be the sum to be paid by the Syndicate to the Council. In the event that the parties cannot agree on the identity of an independent Valuer within one month, they shall remit the matter to the Chairman for the time being of the Royal Institute of Chartered Surveyors in Scotland for appointment of a suitable Valuer.
- c. In the event of such notice being given by the Syndicate within the said six month period, the parties shall work together to transfer the business of the Racecourse from the MJRC to the Syndicate and such other party or parties as they may have identified in the said notice. MJRC shall take such steps as are necessary to wind up its operation and to dissolve the committee in accordance the timetable for transfer agreed between the parties. On completion of the transfer, the Council shall transfer all assets and credit balances referred to in Clause 10(i) for no further consideration and shall have no further role in the operation or management of the Racecourse, other than in its capacity as owner of the land on which the Racecourse is situated.

- d. Without prejudice to the general obligation to work together to ensure a smooth transition, the Council shall, as administrators of the Common Good of the Burgh of Musselburgh, grant to the Syndicate or to the Syndicate along with such other party or parties as they have identified, a right to occupy the land of the Racecourse, on terms similar to those granted to MJRC in terms of this Agreement or such other terms as the Council may be entitled to grant having regard to any direction or decision of the Courts. Subject to any direction or decision of the Courts, the right to occupy shall subsist for a period of 25 years initially and will be subject to renewal on terms to be agreed between the parties. For the avoidance of doubt, the Occupancy Payment to be paid to the Council shall be a true and fair market rental set by the District Valuer at the date of transfer and reviewed every five years by the District Valuer or by any successor to the functions of the District Valuer or if the District Valuer or such successor is not in existence at the time, by such other qualified and experienced Valuer as the Council and the Syndicate shall agree or failing such agreement such other Valuer as may be nominated by the Chairman for the time being of the Royal Institute of Chartered Surveyors in Scotland.

 - e. Should there be a transfer of staff from the MJRC to the Syndicate or to such other party or parties as the Syndicate may identify in terms of Clause 18(ii)(b) all in terms of the Transfer of Undertakings (Protection of Employment) Regulations, as they apply at the date of transfer, the Council shall indemnify the Syndicate or such other party as is identified as the new employer in respect of all liabilities for the permanent staff as exist at the date of transfer.
- (iii) Should the Syndicate advise that they do not wish to carry on the management and business of the Racecourse or should they fail to

serve a written notice as required by Clause 18(ii)(b), the Council shall serve notice on the Syndicate and MJRC advising of the date upon which they wish to terminate this Agreement and all parties shall take such steps as are required to effect termination on that date.

ARBITRATION

19. In the event of any dispute or difference arising between the parties in regard to the construction or effect of this Agreement or any Clause contained herein or the rights, duties or liabilities of either party hereunder, the dispute or difference shall be determined by a single arbiter to be agreed between the parties. If the parties cannot agree the identity of an arbiter within a reasonable period, the matter shall be settled by reference to the President of the Law Society of Scotland on the application of either party. The whole fees of any arbiter shall be borne and paid by the parties in such shares as shall be determined by the arbiter and, failing such a determination, in equal shares. The parties agree that the decision of an arbiter on any dispute or difference shall be binding on both parties.

20. The Council and the Syndicate consent to registration hereof for preservation and execution: IN WITNESS WHEREOF these presents are executed as follows:

FOR AND ON BEHALF OF EAST LoTHIAN COUNCIL

At Haddington on the day of Two thousand and fifteen

By Authorised Signatory with the Council Seal Affixed

.....

FOR AND ON BEHALF OF LoTHIANS RACING SYNDICATE LIMITED

At on the day of Two thousand and fifteen

By Director

.....

By Director/Secretary

.....

APPENDIX 1

TERMS OF REFERENCE FOR CHAIRS



TERMS OF REFERENCE THE MUSSELBURGH JOINT RACING COMMITTEE (MJRC)
Based on the original terms of the 1994 Minute of Agreement

The Chairman of MJRC (To be appointed by the Council)

1. Act as Chairman to the MJRC*.
2. Call meetings of the MJRC as and when appropriate.
3. Sign the minutes of the meetings.
4. Signatory for Commercial Agreements & Statutory Licences as, and when, required.
5. Sit on the Racecourse Remuneration Committee along with a MJRC Director from the LRS.
6. Jointly, with the other Members of MJRC, be responsible for the entertainment of racecourse guests and VIPs.
7. Represent MJRC at Racecourse events

* For the avoidance of doubt the General Manager reports to the MJRC through the Chairman of the Committee.

The Chairman of Musselburgh Racecourse (MR) (To be appointed by the LRS Directors)

The Chairman of Musselburgh Racecourse, in his absence, may delegate the following duties to another LRS Director, failing whom the General Manager, failing whom a senior steward.

1. Act as Racecourse Chairman on Race days. This role includes, but is not exclusive to, hosting and entertaining the following customer/supplier groups:
 - BHA Local Stewards
 - Owners
 - Trainers
 - Leisure/Racing Industry Trade Association Representatives
 - Racing Industry Officials
 - VIPs from any of these customer/supplier groups or similar
 - Sponsors
 - Media
2. Act as chairman of Musselburgh Racecourse Racing at Racecourse Events. This role includes, but is not exclusive to, the following:
 - Opening ceremonies
 - Dinners
 - Functions
 - Racecourse Visits

11/10/2012

3. Represent MR and the MJRC at Leisure/Racing Industry Level. This role includes, but is not exclusive to, the following:
 - The Racecourse Association
 - The British Horseracing Authority
 - The Horserace Betting Levy Board
 - The Tote
4. Represent MR and the MJRC at Trade Association Forums, or their equivalent, and Leisure/Racing Industry AGMs.
5. Represent MR and the MJRC at Leisure/Racing Industry social occasions, when required.
6. Represent MR and the MJRC, as a Director on the Board of Scottish Racing Limited.
7. Represent MR and the MJRC on Industry Committees, working groups or their equivalent, when required.
8. Assist the Managing Executive with commercial decisions on Race days. This role includes, but is not exclusive to, the following (in the interests of public safety):
 - Abandoning the Racemeeting
 - Early closure of the Bars and Food Outlets
 - Evacuating all, or parts of, the Racecourse

11/10/2012

REPORT TO: East Lothian Council

MEETING DATE: 27 October 2015

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Membership of Committees and Appointments to Outside Bodies

11

1 PURPOSE

- 1.1 To seek approval of proposed changes to the membership of committees and representation on outside bodies.

2 RECOMMENDATIONS

Council is asked:

- 2.1 to approve the changes to committee membership, as proposed by the Opposition, as outlined in 3.1 of the report;
- 2.2 to note that Councillor John Caldwell will be the Independent Member on the Police, Fire and Community Safety Scrutiny Committee; and
- 2.3 to approve the nomination of Councillor Jim Gillies to represent the Council on the Edinburgh and Lothians Greenspace Trust, replacing Councillor Norman Hampshire.

3 BACKGROUND

- 3.1 The Leader of the Opposition has intimated that he wishes to make changes to his Group's membership of Council committees. His proposed changes are as follows:

Joint Consultative Committee: Councillor F McAllister to replace Councillor S Brown

Licensing Sub-Committee: Councillor S Currie to replace Councillor F McAllister.

- 3.2 At its meeting on 25 August, the Council approved the membership of the new Police, Fire and Community Safety Scrutiny Committee. The appointment of an Independent Member was not confirmed at that meeting, pending discussion between Councillors Berry and Caldwell. That discussion has now taken place and Members are asked to note that Councillor Caldwell will be the Independent Member on the Committee.
- 3.3 Councillor Hampshire is currently the Council's appointed representative of the Edinburgh and Lothians Greenspace Trust. Due to other Council commitments, he wishes to relinquish his position on this body. The Administration is nominating Councillor Gillies as his replacement.

4 POLICY IMPLICATIONS

- 4.1 None.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – none
- 6.2 Personnel – none
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Report to Council on 25 August 2015 – Arrangements for Scrutiny of Police and Fire & Rescue Services

AUTHOR'S NAME	Lel Gillingwater
DESIGNATION	Team Manager – Democratic Services
CONTACT INFO	lgillingwater@eastlothian.gov.uk
DATE	6 October 2015

MOTION TO EAST LOTHIAN COUNCIL

27 OCTOBER 2015

12

COUNCIL TAX OVERFUNDING

The briefing from the Scottish Parliament Financial Scrutiny Unit referred to in the attached Motion has been lodged in the Members' Library Service Ref: 174/15, October 2015 Bulletin.

MOTION TO EAST LoTHIAN COUNCIL
27 October 2015

Council Tax Overfunding

Council notes the recent briefing from the Scottish Parliament Financial Scrutiny Unit which confirms that the Council Tax Freeze has been overfunded by Scottish Government to the tune of £164.9m, which equates roughly £3.3m for East Lothian based on population share.

Council wishes to commend Scottish Government on this overfunding and to work with Scottish Government in the years ahead.

Proposed by: Paul

Seconded by: J. W. Alister

Date: 21/9/15

Date: 29th Sept. 2015

EAST LoTHIAN COUNCIL
SUPPORT SERVICES

14 OCT 2015

RECEIVED

REPORT TO: East Lothian Council

MEETING DATE: 27 October 2015

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Submissions to the Members' Library Service
13 August – 14 October 2015

13

1 PURPOSE

- 1.1 To note the reports submitted to the Members' Library Service since the last meeting of Council, as listed in Appendix 1.

2 RECOMMENDATIONS

- 2.1 Council is requested to note the reports submitted to the Members' Library Service between 13 August and 14 October 2015, as listed in Appendix 1.

3 BACKGROUND

- 3.1 In accordance with Standing Order 3.4, the Chief Executive will maintain a Members' Library Service that will contain:
- (a) reports advising of significant items of business which have been delegated to Councillors/officers in accordance with the Scheme of Delegation, or
 - (b) background papers linked to specific committee reports, or
 - (c) items considered to be of general interest to Councillors.
- 3.2 All public reports submitted to the Members' Library are available on the Council website.

4 POLICY IMPLICATIONS

- 4.1 None

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – None
6.2 Personnel – None
6.3 Other - None

7 BACKGROUND PAPERS

- 7.1 East Lothian Council's Standing Orders – 3.4

AUTHOR'S NAME	Lel Gillingwater
DESIGNATION	Team Manager - Democratic Services
CONTACT INFO	lgillingwater@eastlothian.gov.uk
DATE	14 October 2015

**MEMBERS' LIBRARY SERVICE RECORD FOR THE PERIOD
13 August – 14 October 2015**

Reference	Originator	Document Title	Access
140/15	Head of Communities and Partnerships	ELC Response to CoSLA Consultation on Safety at Public Events	Public
141/15	Chief Executive	ELC Response to Scottish Government Consultation on Water and Sewerage Charges	Public
142/15	Chief Executive	ELC Response to Scottish Parliament Justice Committee Call for Evidence on Community Justice (Scotland) Bill	Public
143/15	Depute Chief Executive – Partnerships & Community Services	Building Warrants Issued Under Delegated Powers - July 2015	Public
144/15	Service Manager (Resources) – Adult Wellbeing	Service Review Report – Creation of a Temporary Policy Officer	Private
145/15	Head of Development	Service Review Report – East Lothian Works	Private
146/15	Head of Development	Grant of Lease – Tranent	Private
147/15	Head of Development	Strategic Housing Investment Plan 2015/16 – 2019/20	Public
148/15	Chief Executive	Flood Risk Management – Response to Scottish Parliament Finance Committee	Public
149/15	Head of Communities and Partnerships	Staffing Report – Family Outreach Worker	Private
150/15	Head of Education	Staffing Report – Replacement of Science Technician Post with Laboratory Assistant Post at Preston Lodge High School	Private
151/15	Head of Communities and Partnership	Staffing Report – Creation of Temporary Policy Officer (Community Justice) Post	Private
152/15	Depute Chief Executive (Partnerships and Community Services)	Building Warrants Issued under Delegated Powers, 1-31 August 2015	Public
153/15	Head of Development	Grant of Lease for Commercial Premises and land at 56 Warrender Crescent, Dunbar	Private
154/15	Director of Health and Social Care	Staffing Report – Staffing Changes at Tynebank Resource Centre	Private

155/15	Head of Development	Grant of Lease for 6764 sqms (1.67 acres) of Land at Mid Road Industrial Estate, Prestonpans	Private
156/15	Depute Chief Executive – Resources & People Services	Staffing Report - Temporary Chinese Assistants x2	Private
157/15	Depute Chief Executive – Resources & People Services	Staffing Report – Temporary French Assistants	Private
158/15	Head of Development	Proposed Fire Damage Reinstatement at Stoneybank Crescent and Newbigging, Musselburgh	Public
159/15	Depute Chief Executive – Partnerships & Community Services	Staffing Report - Review of Health & Safety Support Services	Private
160/15	Head of Communities & Partnerships	Social Work Adaptations - Proposed Bathroom and Shower room Adaptations to Council Properties – Framework Agreement	Public
161/15	Head of Communities & Partnerships	Staffing Report – Systems Team, Community Housing	Private
162/15	Head of Communities & Partnerships	Service Review Report – School Library Service – Part 1	Private
163/15	Depute Chief Executive – Partnerships & Community Services	Community Housing Service Review – Stage 1 Report	Private
164/15	Depute Chief Executive – Partnerships & Community Services	Partial Realignment of Amenity Services Structure – Follow Up Paper on Trainee Posts	Private
165/15	Depute Chief Executive – Resources & People Services	Staffing Report – Creation of temporary role for secondary teachers identified to undertake additional hours for the support/administration of an Education Conference (BOSCH)	Private
166/15	Head of Development/Head of Council Resources	Revision of Modern Apprenticeship Salary Grading	Private
167/15	Depute Chief Executive – Resources & People Services	Building Warrants Issued under Delegated Powers between 1 st September 2015 and 30 th September 2015	Public
168/15	Head of Development	Responses to Consultation on the Main Issues Report for the East Lothian Local Development Plan - Revised Addendum - Additional Responses	Public
169/15	Depute Chief Executive – Resources & People Services	Service Review Report: Staff Benefit Scheme - Salary Sacrifice for Cars	Private

Reference	Originator	Document Title	Access
170/15	Depute Chief Executive – Partnerships & Community Services	Service Review Report - Partnership Data Analyst	Private
171/15	Head of Council Resources	ELC Audited Statement of Accounts 2014/15	Public
172/15	Depute Chief Executive – Partnerships & Community Services	Business Support Assistant, Planning Registration	Private
173/15	Director of East Lothian Health & Social Care Partnership	Service Review Report - Temporary Increase In Hours For MARAC Coordinator Post	Private

14 October 2015

