



**MINUTES OF THE MEETING OF
THE CABINET**

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

Committee Members Present:

Councillor T Day
Councillor D Grant
Councillor N Hampshire
Councillor W Innes (Convener)
Councillor J McMillan
Councillor M Veitch

Other Councillors Present:

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

Council Officials Present:

Mrs A Leitch, Chief Executive
Mr A McCrorie, Depute Chief Executive – Resources and People Services
Mr D Small, Director of Health and Social Care Partnership
Mr J Lamond, Head of Council Resources
Mr T Shearer, Head of Communities and Partnerships
Mr D Proudfoot, Head of Development
Mrs K MacNeill, Service Manager – Licensing, Administration and Democratic Services
Mrs M Ferguson, Service Manager – Legal and Procurement
Ms E Wilson, Service Manager – Economic Development and Strategic Investment
Ms L Shaw, Corporate Finance Manager
Ms S Fortune, Service Manager – Business Finance
Mr R Baty, Team Manager, Business Development
Ms J Mackay, Media Manager
Ms P Bristow, Communications Officer

Clerk:

Ms A Smith

Apologies:

Councillor S Akhtar

Declarations of Interest:

None

1. MINUTES FOR APPROVAL

The minutes of the meeting of the Cabinet of 20 October 2015 were approved.

Councillor Currie requested an update on the establishment of the Poverty Commission. The Chief Executive advised that the first meeting would be taking place in early 2016.

2. FINANCIAL REVIEW 2015/16: QUARTER 2

A report was submitted by the Depute Chief Executive (Resources and People Services) recording the financial position at the end of the 2nd quarter of the financial year 2015/16.

The Head of Council Resources, Jim Lamond, presented the report, drawing attention to the budget summary and in-year budget adjustments. He outlined the general services revenue summary position. He highlighted key aspects in relation to the housing revenue account and general services capital. He concluded that despite the favourable financial variance highlighted, the overall position was satisfactory but finely balanced and therefore as a consequence, remained extremely challenging. Despite the relatively upbeat reaction to the recent UK Chancellor's Autumn Statement, the UK national figures within the Comprehensive Spending Review still pointed towards significant reductions in public sector spending through until 2019/20. Although the Council would not receive certainty on the financial settlement until 16 December, discussions between COSLA and Scottish Government were ongoing and it was likely that Scottish Local Government would face a significant cash terms reduction in its Government Grant for next year.

Mr Lamond responded to questions from Councillor Currie. As regards the underspend, he advised that he was not aware of any services the Council was not delivering. With regard to why the budget was not being re-based, he stated that the report set out the reasons for the underspend; additional income, significantly less spending on the staffing budget, managers and staff meeting challenging targets and tightening of recruitment campaigns. The current level of underspend, given what was forthcoming, should not mean re-basing the budget. As regards the Housing Revenue Account Programme Board, he stated that various different officer groups had met previously; this was a formalisation of the process, the Board would provide a coherent overview of the entire programme. Councillor Currie, referring to capital projects, queried coastal car parks, zero in terms of actual spend. Mr Lamond advised that this was a complex area; regarding this year's activity the take up had been slower than anticipated, it was unlikely that the figure raised by coastal car park income would exceed £100,000 this financial year and that similarly, capital spend on the coastal car parks/toilets would also be lower than planned.

Mr Lamond, responding to Councillor McAllister's question about the Core Path Plan implementation, confirmed that nothing had been spent to date, which was not untypical for many capital projects at the half year stage. Tom Shearer, Head of Communities and Partnerships, stated that money had been identified to extend and improve the Core Path Network throughout East Lothian and there was an ongoing programme of works. Councillor McAllister also asked about the promenade

improvements at Fisherrow. Liz Shaw, Corporate Finance Manager, advised that the underspend had been carried forward from the previous year and would be spent in this financial year.

In response to questions from Councillor McMillan, Mr Lamond advised that a budget would only need re-based if it had been inaccurate and causing immediate operational difficulty, adding that he had never known this to have happened in recent times and that re-basing effectively took place each year as part of budget development. Responding to a query about the cultural shift in the Council, Mr Lamond stated there had been a huge cultural shift in the mindset of both management and across the staff base, to an extent not seen previously. Officers had responded admirably and were continuing to deliver services; there had also been some clever, innovative thinking with much effort made to deliver services as efficiently and effectively as possible.

The Chief Executive stressed it was important that Cabinet were aware of the very deliberate steps taken by managers and staff across the Council in scrutinising every element of their budget. Essential services were still being delivered; customer satisfaction levels were being maintained. Next week local authorities would find out the grant settlement figure; some latitude in current budgets would stand the Council in good stead.

Councillor MacKenzie commented on the substance of the report, remarking that it detailed how well an underspend was being delivered not how the budget was being delivered. He added that as outlined by the Arbutnott Commission sharing services was the way to save money in local government.

Councillor Day welcomed the report which supported and underpinned this Administration's budget. There had been a cultural shift. This Council was delivering against its objectives. The second report recommendation, to maintain tight financial control over budgets, was the correct course of action.

Councillor Currie stated that the financial strategy approved in February had been set aside and the position now seemed to be to underspend this year's budget to support future years. He disagreed that the Council was delivering on services. A crucial issue was the number of people that would be kept in hospital over the festive period; the Council was not delivering in terms of delayed discharge. Throughout the report there was reference to corrective action being taken which meant cuts; this was not being acknowledged by the Administration.

Councillor Hampshire thanked all managers for delivering this underspend and every member of staff for their hard work in difficult circumstances. He made particular reference to the work carried out by Planning, Waste and Transportation services.

Councillor McMillan responded to comments from Opposition Members. He stated that local authorities were unique in how budgets had to be set and how funding was carried out. The Council had a long term strategy in place. He made reference to the external auditor's positive report to the October Council meeting. He endorsed Councillor Day's comments.

Councillor Grant welcomed the report. He made comments in relation to the health and social care budget. There were issues regarding delayed discharge, which the Integration Joint Board would review. The Council was making progress; the financial strategy was proving effective.

Councillor Veitch highlighted the effort made to secure savings while retaining services and thanked all budget holders across the Council. As stated by Mr Lamond the situation was finely balanced. The Council was hugely dependent on the Scottish Government grant and awaited the forthcoming settlement with interest.

The Convener welcomed the report, which followed the recent performance report from the external auditor; the best audit this Council had ever received. Officers were doing a very difficult job in very difficult conditions and were all to be congratulated. There were challenges ahead; it was therefore sensible to take a prudent approach. The financial strategy was working; the Council was doing what was required to protect services.

Decision

The Cabinet agreed:

- i. to note the financial performance of services at the end of September 2015; and
- ii. that Council officials be asked to maintain tight financial control over their budgets with a view to preserving budget underspends between now and the end of the financial year, these will be used to support future year's budgets.

3. EAST Lothian Food and Drink – Business Improvement District (BID)

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) informing Cabinet of the East Lothian Food and Drink - Business Improvement District (BID).

Richard Baty, Business Development Team Manager, presented the report. He made reference to the initiation of East Lothian Food and Drink (ELFD) in 2004 and its twin objectives. He outlined the aims of the potential ELFD BID. He informed Cabinet that the grant application to the Scottish Government had been approved within 24 hours. He took Members through the process required for the ballot and gave details of the draft proposal for the BID. He stated that if successful in the ballot, this would be the first sector BID for food and drink in the UK and Europe.

Mr Baty responded to questions from Members, clarifying that any new start up businesses would come into the BID and also providing details of work being done with various local suppliers regarding extending the range of produce.

Councillor Currie acknowledged the amount of work carried out by this team. He agreed that getting East Lothian produce into the London market was vital.

Councillor McMillan welcomed the report; this was a tremendous piece of work and he thanked officers. A huge effort had been made to promote ELFD, in line with the Economic Development Strategy's aim to make the county Scotland's leading coastal food and drink destination. The team had developed excellent links to help make this collaboration work. He made reference to the London Food Show last year where ELFD produce had received significant attention; this had highlighted the need for a distribution and supply chain to London. This was an excellent initiative and would be the impetus for ELFD going forward.

Councillor Veitch stated that since ELFD's initiation in 2004 it had been a pillar of success and played to the county's strengths. As Mr Baty had indicated, if successful, this would be the first sector BID in Europe, which was especially praiseworthy. The key issue was getting support from businesses. He noted that the ELFD initiative had been held up as an exemplar project by the Scottish Government.

Councillor McAllister made reference to the high quality of Scottish produce. The Council should continue to be innovative and also consider further work with the tourist industry.

Councillor Hampshire also welcomed this initiative and praised the work carried out by staff.

The Convener welcomed the report. This Administration had made growing the economy of East Lothian a key priority and had provided additional resources for economic development. He also gave thanks to officers and Councillor McMillan, Cabinet Spokesperson for Economic Development.

Decision

The Cabinet agreed to support the initiative and agreed a financial commitment of £20,000 a year for 3 years, subject to a successful ballot.

4. FREEDOM OF INFORMATION (SCOTLAND) ACT 2002 AND DATA PROTECTION ACT 1998 – COMPLIANCE STATISTICS

A report was submitted by the Depute Chief Executive (Resources and People Services) regarding the Council's compliance for the period 1 April 2015 to 30 September 2015 with a) the 20 working day timescale laid down by the Freedom of Information (Scotland) Act 2002 and b) the 40 calendar day timescale laid down by the Data Protection Act 1998.

The Licensing, Administration and Democratic Services Manager, Kirstie MacNeill, presented the report. She gave details of the Freedom of Information and Data Protection statistics for the period in question. She also drew attention to the statistics in relation to the Environmental Information (Scotland) Regulations 2014. She informed Members that the top three enquirers were the general public, commercial organisations and journalists.

Councillor Currie supported the FOI Act on the basis of its original design but expressed concern that it was increasingly being used by commercial organisations to obtain information, which was never its intention.

Councillor McMillan also endorsed the spirit of the FOI Act and agreed that its interpretation was being misused by some commercial companies.

Decision

The Cabinet agreed to note the report.

Signed

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Councillor Willie Innes
Council Leader and Convener of the Cabinet