



**MINUTES OF THE MEETING OF
THE CABINET**

**TUESDAY 8 MARCH 2016
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

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

Other Councillors Present:

Councillor D Berry
Councillor S Brown
Councillor J Caldwell
Councillor S Currie
Councillor J Gillies
Councillor J Goodfellow
Councillor P MacKenzie
Councillor F McAllister
Councillor J Williamson

Council Officials Present:

Mrs A Leitch, Chief Executive
Ms M Patterson, Depute Chief Executive – Partnerships and Community Services
Mr A McCrorie, Depute Chief Executive – Resources and People Services
Mr D Small, Director of Health and Social Care Partnership
Mr J Lamond, Head of Council Resources
Mr D Proudfoot, Head of Development
Mr T Shearer, Head of Communities and Partnerships
Mrs M Ferguson, Service Manager – Legal and Procurement
Ms S Fortune, Service Manager – Business Finance
Ms M Galloway, Service Manager – Community Partnerships
Ms J Mackay, Media Manager
Ms E Shaw, Corporate Finance Manager
Ms E Wilson, Service Manager – Economic Development and Strategic Investment

Clerk:

Mrs L Gillingwater

Apologies:

Councillor W Innes

Declarations of Interest:

Item 3 – Partnership Funding

Councillor McMillan declared an interest as the Council representative on the following organisations: Bridge Centre Management Committee, Haddington Garden Trust and Lamp of Lothian Trust.

Councillor Hampshire declared an interest as the Council representative on the Dunbar Community Development Company.

Councillor Grant declared an interest as the Council representative on the Lothian Mineworkers' Convalescent Home Trust.

Order of Business

The Convener announced that as a member of Cabinet had to leave the meeting early, the report on Partnership Funding would be discussed prior to the report on the Finance Review 2015/16, Quarter 3.

1. MINUTES FOR APPROVAL – CABINET 12 JANUARY 2016

The minutes of the meeting of the Cabinet of 12 January 2016 were approved.

2. SUMMARY OF CONTRACTS AWARDED BY EAST LoTHIAN COUNCIL, 1 SEPTEMBER 2015 – 24 FEBRUARY 2016

A report was submitted by the Depute Chief Executive (Resources and People Services) advising Members of all contracts awarded by the Council from 1 September 2015 to 24 February 2016 with a value of over £150,000.

The Clerk advised that there was one contract to report, which related to mechanical and electrical works and building alterations at Penston House, Macmerry.

Councillor Currie observed that no East Lothian-based companies had tendered for this contract and asked if any discussions had taken place with local firms at the pre-tender stage. The Head of Development, Douglas Proudfoot explained that this project was tendered openly, and that the nature of the work was specialised.

Councillor Akhtar asked about the value of contracts under £150,000 awarded to East Lothian-based firms. Mr Proudfoot reported that around £2 million worth of contracts had been awarded to local companies.

Decision

The Cabinet agreed note the award of contracts with a value of over £150,000 from 1 September 2015 to 24 February 2016, as listed in Appendix 1 to the report.

3. PARTNERSHIP FUNDING 2016/17

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) making recommendations on awards to agencies and organisations from partnership funds budget for by East Lothian Council in the financial year 2016/17. The report further continued the 'One Council Approach to Partnership Funding' by bringing together support provided to Adult Wellbeing payments to partner agencies, Children's

Wellbeing payments to partner agencies and organisations, Community Councils and Community Partnership Funding.

The Head of Communities and Partnerships, Tom Shearer, presented the report, drawing Members' attention to the change of format, which now included grants to Adult Wellbeing organisations, Children's Wellbeing organisations and Community Councils, as well as funding to community partnerships. He also noted that the application procedure for community partnership grants had been reviewed and that recommendations made by Internal Audit had been followed up. He drew attention to an update to Appendix 1, in that the grant to East Lothian and Midlothian Women's Aid and Young Carers would be funded at the same level as last year, which would bring the total for Adult Wellbeing funding to £659,798.

Councillor Currie asked how grants to organisations providing adult wellbeing services would be dealt with following the integration of health and social care. David Small, Director of Health and Social Care, advised that the process in future years would be different in that the grants would require approval by the Integration Joint Board (IJB) and they would have to support the IJB's strategic plan and outcomes. He noted, however, that the grants would still be presented to Cabinet for approval.

In response to other questions from Councillor Currie, Mr Shearer advised that the £600,000 awarded to Area Partnerships would be detailed in a report to Cabinet in April. As regards awards to a number of other organisations, Mr Shearer reported that Transportation officials were in discussions with Lammermuir Community Transport with a view to supplementing the Council's transport services, the outcome of which may result in a review of their grant award. He noted that the awards to Pennypit Special Needs Youth Club and Richmond's Hope had always been at around the level awarded for 2016/17, and that he believed that this funding was appropriate to support the activities of those organisations.

Councillor Berry questioned the award proposed for Winterfield Golf Club. Mr Shearer pointed out that this particular golf club provided opportunities and access to golf for people who may not otherwise be able to take part in the sport, and that the Council was supporting the golf club in order that they could continue operating.

Councillor Day opened the debate by announcing that Myra Galloway, Service Manager – Community Partnerships and author of the report, would shortly retire from the Council after 37 years' service. He was joined by those present in thanking Ms Galloway for her contribution to the Council and wishing her well in her retirement.

A number of Members highlighted the valuable work carried out by the various organisations outlined in the report. Tribute was paid to the staff and volunteers associated with those organisations. Members of Community Councils and Area Partnerships, and the Council staff supporting them, were also thanked for their contributions to community activities.

The Convener then moved to approve the report recommendations, with the exception of those items where Members had declared an interest (Bridge Centre, Dunbar Community Development Company, Haddington Garden Trust, Lamp of Lothian Trust and Lothian Mineworkers' Convalescent Home).

Decision

The Cabinet agreed to approve the awards (see recommendation (iv) below), with the exception of those listed above.

Sederunt: Having declared an interest as the Council's representative on the Bridge Centre Management Committee, Haddington Garden Trust and the Lamp of Lothian Trust, Councillor McMillan left the Chamber.

Decision

The Cabinet agreed to approve the proposed awards to the Bridge Centre, Haddington Garden Trust and the Lamp of Lothian Trust.

Sederunt: Councillor McMillan returned to the Chamber. Having declared an interest as the Council's representative on the Dunbar Community Development Company, Councillor Hampshire left the Chamber.

Decision

The Cabinet agreed to approve the proposed award to the Dunbar Community Development Company.

Sederunt: Councillor Hampshire returned to the Chamber. Having declared an interest as the Council's representative on the Lothian Mineworkers' Convalescent Home Trust, Councillor Grant left the meeting.

Decision

The Cabinet agreed to approve the proposed award to the Lothian Mineworkers' Convalescent Home.

Sederunt: Councillor Grant returned to the Chamber.

Decision

The Cabinet agreed:

- i. to approve the proposed allocation of funding from Adult Wellbeing budget sources totalling £659,798 (as amended) (see Appendix 1 to the report);
- ii. to approve the proposed allocation of funding from Children's Wellbeing budget sources totalling £682,857 (see Appendix 2 to the report);
- iii. to approve the allocation of Community Council Administration Grants and Local Priorities Scheme budget sources totalling £130,050 (see Appendix 3 to the report);
- iv. to approve the allocation of Community Partnership Funding budget sources totalling £2,195,556 (see Appendix 4 to the report); and
- v. to note that all awards would be monitored over the year ahead.

4. FINANCIAL REVIEW 2015/16: QUARTER 3

A report was submitted by the Depute Chief Executive (Resources and People Services) recording the financial position at the end of the third quarter (period to 31 December) of the financial year 2015/16.

Jim Lamond, Head of Council Resources, presented the report. He drew attention to the key aspects, including: the financial performance of each directorate, the underspend within the

Housing Revenue Account (HRA), expenditure on capital projects, and the overall financial position as at the end of Quarter 3.

Councillor MacKenzie questioned the extent of the underspend, particularly within the area of pre-school education. Mr Lamond reminded him that this was the financial position as at the end of December and that the situation would have changed by the year end. He added that the plans as regards how the Council delivers its statutory obligations for 2016/17 would be developed by the year end.

In response to a number of questions from Councillor Currie, Mr Lamond accepted that staying within budget for Adult Wellbeing and Children's Wellbeing services would be challenging; however, he believed that it was possible to identify and delivery significant efficiency savings in these two areas. David Small, Director of Health and Social Care, added that these two budgets would be in a more favourable position at the year end than at the end of Quarter 3, and that work was underway, through the Integration Joint Board, to address issues within the social care service.

On expenditure on housing, Mr Lamond reported that the expenditure level for modernisations was at 66%, and that officers from that area were confident that by the year end expenditure would reach the approved budget levels. He advised that there was a 58% underspend in the provision of affordable housing, but that expenditure in Quarter 3 had been higher than Quarters 1 and 2, which demonstrated fluctuations and variations on spending. He noted that expenditure in this area was dependent on development of strategic sites, and that there had been delays in bringing forward units in at Pinkie and Hallhill. Douglas Proudfoot, Head of Development, stated that the timing of these developments was outwith the Council's control, but that there were signs of delivery now. He offered to provide Councillor Currie with further details.

As regards the underspend in general services, Mr Lamond noted that the levels of variation were not untypical, but there were no areas where services were not being provided. However, he warned that the pressure on a number of services was becoming more acute due to the suppression of vacancies to meet future planned budget reductions. Mr Lamond also provided an explanation about the loss of anticipated grant funding for the Mid Road Industrial Estate project. He noted that a report on this matter would be presented to the Audit & Governance Committee in due course.

Councillor Berry expressed concern at the impact on services of not filling vacant posts. He also raised questions in relation to the progress of a number of projects. Mr Lamond reassured him that where timescales had been affected, these projects would be carried forward into the 2016/17 financial year. He offered to provide further details on project slippage in future reports. It was noted that in some cases, the work was well underway, but that it had not yet been paid for.

Councillor McAllister requested further details as regards changes to library services. Tom Shearer, Head of Communities and Partnerships, advised that staffing levels in this area were at almost full establishment, and that recent changes to this service had had a positive impact.

Councillor Grant asked Mr Lamond for an assessment of the Council's performance at the end of Quarter 3. Mr Lamond reported that the Council was in a satisfactory position; however, he warned of the challenges facing the Council for the next 5-10 years.

Councillor Currie commented that it was not satisfactory for the Council to be carrying a significant underspend. He also expressed concern about capital project slippage and the financial implications for future years. He believed that achieving savings of £5.2 million in Adult Wellbeing services was unrealistic, and voiced his concerns as regards the Mid Road

Industrial Estate situation, coastal car parking charges and the pressures on the Council to provide cemetery space.

Councillor Akhtar referred to the challenging financial climate in which the Council was operating, pointing out that staff had worked hard to maintain services and that managers were doing everything possible to work within their budgets. She reminded Members that the Council's external auditors had reported favourably on the Council's financial strategy, and that external feedback on Council services remained favourable. Councillor Hampshire echoed these comments, highlighting the efforts of staff to achieve savings whilst delivering services.

Sederunt: Councillor Hampshire left the meeting.

Councillor Grant accepted that meeting the efficiency savings target within Adult Wellbeing would be challenging; however, he advised that progress was being made in this area.

Councillor Veitch spoke of the importance of delivering budget commitments, despite the reduced financial settlement from the Scottish Government. However, he believed that the Council's financial strategy was the right one to meet the challenges ahead.

Decision

The Cabinet agreed to note the financial performance of services at the end of December 2015.

5. CONSTRUCTION SECTOR ACTIVITY

A report was submitted advising Cabinet of focused activity being undertaken across Council services to ensure opportunities for the local labour market and Small and Medium Enterprises (SMEs) in the construction sector are maximised.

Esther Wilson, Service Manager – Economic Development and Strategic Investment, presented the report, outlining the programme of activity as regards maximising opportunities within the construction sector. She highlighted the key aspects of the report, including the establishment of a construction academy, the procurement of a construction framework, apprenticeships and events targeting local construction businesses.

Responding to questions from Councillor Berry, Ms Wilson anticipated that apprentices would gain experience through undertaking a wide range of projects. She noted that discussions were ongoing with private sector companies as well as looking at in-house activities. She also advised that transport would be provided for pupils travelling to the Construction Academy from East Lothian schools.

As regards community benefits in procurement, Ms Wilson set out the difficulties in securing apprenticeships for short–medium term projects, but that the Council was looking at ways of delivering apprenticeships through financial contributions from private contractors. She also spoke of the importance of proper monitoring of apprentices throughout their apprenticeship.

Councillor Currie asked if a framework would be coming forward that would allow the Council to give preferential treatment to local contractors. Morag Ferguson, Service Manager – Legal and Procurement Services, advised that the Council would be in breach of EU regulations should they favour contractors on the basis of them being local. However, she noted that other factors could be taken into account when awarding contracts, including benefits to the local community. Ms Wilson added that local businesses could access assistance and advice when completing their public sector procurement documentation.

Councillor MacKenzie remarked that changes to schooling would have an impact on school staffing, accommodation and budgets in the future.

The establishment of the Construction Academy and the partnership working with Edinburgh College and local businesses was welcomed by Members. It was recognised that East Lothian had a strong history in the construction trades and that the Construction Academy would have a significant effect on the futures of young people in the county.

The Convener concluded the debate by commenting that the issue of public transport between the east and west of the county should be raised with private transport providers.

Decision

The Cabinet agreed to note the contents of the report, in particular:

- i. to delivery of a Construction Academy in Musselburgh, opening in August 2016, offering 16 places in the school year 2016/17;
- ii. a new Construction Framework for multi-trade work, below the Official Journal of European Union (OJEU) threshold, would be in place in June 2016;
- iii. officers are actively pursuing options to put in place a shared public/private delivery model for apprenticeships in construction; and
- iv. that drop-in roadshow events would be held targeting local construction businesses in the spring and autumn, offering a range of advice and information.

6. THE EAST LoTHIAN COUNCIL (BIG NATURE FESTIVAL, LEVENHALL LINKS, MUSSELBURGH) (EXEMPTION) ORDER 2016

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking Cabinet approval for the making of an Order under Section 11 of the Land Reform (Scotland) Act 2003 to facilitate the holding of the Royal Society for the Protection of Birds' 2016 'Scotland's Big Nature Festival' at Levenhall Links, Musselburgh, East Lothian.

The Service Manager – Sport, Countryside and Leisure, Eamon John, presented the report, setting out the purpose of the Order and advising that it was consistent with the provisions of the Land Reform Act.

Councillor Currie commented on the organisation and success of last year's Festival, and suggested that it could be expanded to include other events, such as a book festival. His views were shared by Councillor McAllister who also mentioned the importance of securing the land at Levenhall Links.

Councillor McMillan noted that wildlife tourism was currently under consideration. He referred to the support for this Festival from community groups and spoke in support of promoting festivals within East Lothian.

Decision

The Cabinet agreed to approve the making of The East Lothian Council (Big Nature Festival, Levenhall Links, Musselburgh) (Exemption) Order 2016.

7. MINUTES FOR NOTING

The approved minutes of the Sustainable Economy Partnership held on 23 September 2015 were noted.

Signed

Councillor Michael Veitch
Depute Council Leader and Depute Convener of the Cabinet