



MINUTES OF THE MEETING OF THE CABINET

**TUESDAY 13 SEPTEMBER 2016
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

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

Other Councillors Present:

Councillor S Brown
Councillor S Currie
Councillor J Gillies
Councillor J Goodfellow
Councillor F McAllister
Councillor K McLeod

Council Officials Present:

Ms M Patterson, Depute Chief Executive – Partnerships and Community Services
Mr D Small, Director of Health and Social Care Partnership
Mr J Lamond, Head of Council Resources
Mr R Montgomery, Head of Infrastructure
Mr D Proudfoot, Head of Development
Mr T Shearer, Head of Communities and Partnerships
Mrs M Ferguson, Service Manager – Legal and Procurement
Ms E Wilson, Service Manager – Economic Development and Strategic Investment
Ms S Fortune, Service Manager – Business Finance
Ms C McCorry, Service Manager – Community Housing
Mr I McFarlane, Service Manager – Planning
Ms W McGuire, Team Leader, Strategy and Development
Ms A Stewart, Housing Enabler
Mr P Ritchie, HR Business Partner
Ms J Mackay, Media Manager

Clerk:

Ms A Smith

Apologies:

None

1. MINUTES FOR APPROVAL – CABINET, 14 JUNE 2016

Councillor Currie, in relation to item 4, page 6, asked that the word *comments* in the last sentence be altered to *point of order*. Subject to this alteration the minutes of the meeting of the Cabinet of 14 June 2016 were approved.

2. SUMMARY OF CONTRACTS AWARDED BY EAST LoTHIAN COUNCIL, 25 FEBRUARY – 31 AUGUST 2016

A report was submitted by the Depute Chief Executive (Resources and People Services) advising Members of all contracts awarded by the Council from 25 February 2016 to 31 August 2016 with a value of over £150,000.

Councillor McMillan, in response to a question from Councillor Currie about progress on the issue of sub contractors, offered to meet outwith Cabinet for further discussion.

Decision

The Cabinet agreed note the award of contracts with a value of over £150,000 from 25 February 2016 to 31 August 2016, as listed in Appendix 1 to the report.

3. FINANCIAL REVIEW 2016/17 QUARTER 1

A report was submitted by the Depute Chief Executive (Resources and People Services) regarding the Financial Review for 2016/17, Quarter 1.

The Head of Council Resources, Jim Lamond, presented the report, stating that as Members were aware this report had been submitted under summer recess arrangements, lodged in the Members' Library and subsequently discussed at the August Council where it had been specifically requested to be brought to Cabinet. He advised that the statutory audit process had been largely completed and it was expected that the Council's external auditors would sign off the accounts with a clean audit opinion; they were reporting separately to the Audit and Governance Committee later today and would report to all Members at the October Council as part of the annual audit process. He gave an overview of the Quarter 1 position. He drew attention to the overall General Services Revenue position, which reflected an underspend, referring to three examples of high level service area performance. Two service areas, Children's Wellbeing and Adult Wellbeing, had been categorised as High Risk. Two service areas, Property Maintenance and Landscape and Countryside, had been categorised as Medium Risk. He also highlighted the position in relation to the Housing Revenue Account (HRA) and General Services Capital budgets.

Councillor Currie raised a number of questions. In relation to Landscape and Countryside's categorisation as Medium Risk, presumably due to lack of income, he queried the position regarding income from coastal car parking. Councillor Hampshire suggested that a report providing further details of this could be brought to a future Cabinet meeting. Mr Lamond advised that the issue and risk was non-achievement of a targeted income level noting that the way it impacted on the Revenue Budget was complex. He added that decriminalisation of parking charges and related enforcement was key; close monitoring would continue for Quarter 2.

Regarding school budgets, Mr Lamond reported that budgets had been set and profiled in accordance with normal practice and would be finalised following the pupil census in September and considered again as part of the Quarter 2 review.

In respect of the Adult Wellbeing Service, Councillor Currie, referring to the budget overspend for the first quarter, asked if this was adequate provision. Mr Lamond indicated it was, at the Quarter 1 position, but that traditionally this service had particularly volatile activity levels and that the period Q4 position had already suggested some adverse movement. He advised that financial commitments would continue to be closely monitored and indicated that the position would be further assessed as part of Quarter 2.

Responding to questions about Capital Projects, Mr Lamond advised that the Quarter 2 review report would be brought to the November Cabinet; there would be further assessment of progress made on Capital Projects and the HRA and the report would also cover points raised today.

Councillor Currie voiced the SNP's concerns, stating that even at this early stage the Council was heading towards an underspend; if the budget set was not being met then this was a concern and had significant implications. He expressed concern specifically in relation to Adult Wellbeing; efficiency savings were not sustainable, this service would overspend because the budget was not correct and services to the most vulnerable would be affected. He also commented on coastal car parking and lack of income generated and, in relation to Capital Projects, referred to slippage of projects and financial implications for future projects.

Councillor Veitch stated that, on the contrary, this report provided good news. All local authorities were under considerable financial pressure. He made reference to progress with efficiency savings and underspends. The Council was working hard to deliver services within/under budget despite the reduced level of funding from the Scottish Government.

Councillor McMillan commented that the report showed that plans set out by this Administration were being delivered. He made reference to innovative ways of delivering services, praising particular projects such as the Construction Academy.

Councillors Hampshire and Akhtar made reference to the hard work carried out by staff across all service areas in these difficult circumstances. Councillor Akhtar welcomed the additional provision at specific schools.

The Convener welcomed the report, which demonstrated a good start to this financial year. These were difficult times; this was the first time local authorities have had to deal with an actual cut in funding from the Scottish Government. He concurred with colleagues; all staff deserved thanks for their excellent response in these circumstances.

Decision

The Cabinet agreed to note the financial performance of services at the end of June 2016.

4. ANNUAL PENSIONS REPORT 2015/16 AND POLICY STATEMENT ON APPLICATION OF REGULATORY PENSIONS DISCRETIONS

A report was submitted by the Depute Chief Executive (Resources and People Services) summarising the early retirement activity within the financial year 2015/16, in accordance with External Audit requirements and Council Policy. The report also set out the proposal in relation to the adoption of discretionary powers under the Local Government Pensions Scheme (Scotland) Regulations 2014, seeking Cabinet approval for the Council's Policy Statement on the exercise of these discretions.

Mr Lamond presented the report, referring to the types of pensionable retirements and the actual activity experienced during the 2015/16 financial year. He drew attention to additional detail on pension related financial commitments made during the year and expected in future

years. He outlined the background to the revised Pension Discretions Policy, which would replace the previous policy approved in 2009, and reflect the changes made to reflect wider powers following introduction of the Local Government Pensions Scheme (Scotland) Regulations 2014. In summary, where additional discretion was now being recommended there was no additional financial burden upon the Council and therefore there were no financial implications associated with approving this new policy statement.

Councillor Currie raised the issue of detriment, in relation to female staff members. He appreciated that it was probably not an issue for this meeting but suggested it may be useful to bring forward a report on this matter, perhaps to a future Joint Consultative Committee. Paul Ritchie, HR Business Partner, acknowledged that in relation to the national changes some detriment did apply. With regard to the revised Discretion Policy there was no disadvantage to any member of staff. Mr Lamond gave an undertaking to consider bringing forward such a report, to the Joint Consultative Committee, or Cabinet, or both, in the future.

In response to Councillor McMillan's questions about law and governance as regards pensions, Mr Lamond indicated he would extend the scope of the report to cover this aspect. He assured Members that officers gave this active consideration.

The Convener thanked Councillor Currie for raising this issue; if there were national changes that disadvantaged some members of staff then support for any possible flexibility would be considered.

Decision

The Cabinet agreed:

- i. to note the content of the report with regard to the pension activity in the financial year 2015/16; and
- ii. to approve the revised Pension Discretion Policy Statement attached to the report replacing the existing version originally approved at Cabinet on 9 June 2009.

5. COUNCIL HOUSING COMPLETIONS

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) providing Cabinet with an overview of council house completions and projected completions over the ten year period 2007–2017.

The Service Manager – Economic Development and Strategic Investment, Esther Wilson, presented the report. She drew attention to the appendices. Appendix 1 detailed new build council house completions, the table showed two sets of figures from two separate sources; she gave an explanation of these, advising that these were compiled in different ways, hence the difference between the two. Appendix 2 detailed the total affordable housing new build completions over the 10 year period from 2007/08 to 2016/17 and Appendix 3 detailed projects delivered during this 10 year period. She stressed there were many variables that contributed significantly to the delivery timeline of affordable housing units, including new build council housing and some of these were detailed in section 3.6 of the report.

Councillor Akhtar queried the status of the Local Housing Strategy (LHS). Ms Wilson stated this was the strategic housing document of the Council, peer reviewed by the Scottish Government and other local authorities; there was no requirement to report in relation to how the Council was delivering to it in its entirety, it was referenced through the Single Outcome Agreement and Community Planning structures.

Ms Wilson responded to questions from Councillor Veitch about the information provided in Appendix 1, 2008/09 specifically, advising that this was in part explained by the Balcarres Road, Musselburgh figures, stock sold to East Lothian Housing Association on completion, but the Council had also sold other housing sites over a period of time.

In response to Councillor Hampshire, Ms Wilson confirmed that in 2014/15 Registered Social Landlords had not delivered any units; she added that housing associations had their own programmes, their subsidy had been reduced which had impacted on their ability to deliver social rented housing, at that time.

Councillor McAllister queried when the Scottish Government support for council housing came in and what difference that had made. Ms Wilson confirmed this was initially the Challenge Fund, in approximately 2009/10. Regarding contributions, the Council had been able to secure a significant amount of subsidy to deliver its programme; in the region of 10% of the national total available, over the first few rounds.

Councillor McAllister made reference to the huge decline nationally in council house building and welcomed the change of stance taken by the current Scottish Government; he also praised their decision to end the Right to Buy Scheme.

Councillor Hampshire thanked all staff in Housing, Planning and Finance service areas, highlighting the numbers of new council house and affordable housing completions that would be delivered for the people of East Lothian by the end of this financial year. This Administration had delivered considerably more improvements to the housing stock than the previous Administration and would also deliver more council houses.

Councillor Currie drew attention to the subsidy the Council received in relation to council housing. He stated that people now had to wait over 400 days for a house, twice as long as it had taken in 2012 during the SNP-led Administration. It was instructive, looking at the Strategic Housing Investment Plan from 2012 onwards, that this Administration had not brought forward a single new housing project.

Councillor Veitch stated that council housing was a very important part of the housing mix, but was not the only means of providing affordable housing. Council houses in East Lothian were highly sought after, partly due to staff maintaining the stock to a good standard. In relation to the two sets of figures contained in Appendix 1, he was content to take the LHS figures as the more accurate. At the end of this Administration's term of office more council houses would have been built than during the period of the previous Administration.

The Convener echoed Councillor Veitch's comments.

Decision

The Cabinet agreed to note the contents of the report.

6. MINUTES FOR NOTING

The minutes of the Resilient People Partnership of 9 March, the Sustainable Economy Partnership of 16 March, and the Safe and Vibrant Communities Partnership of 17 March were noted.

Signed

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Councillor Willie Innes
Council Leader and Convener of the Cabinet