



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

**TUESDAY 23 AUGUST 2016
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

Provost L Broun-Lindsay (Convener)
Councillor S Akhtar
Councillor D Berry
Councillor S Currie
Councillor A Forrest
Councillor J Gillies
Councillor J Goodfellow
Councillor D Grant
Councillor N Hampshire
Councillor W Innes

Councillor M Libberton
Councillor P MacKenzie
Councillor McAllister
Councillor P McLennan
Councillor K McLeod
Councillor J McMillan
Councillor J McNeil
Councillor T Trotter
Councillor M Veitch
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 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
Mr T Shearer, Head of Communities and Partnerships
Ms P Bristow, Communications Officer
Ms M Ferguson, Service Manager – Legal and Procurement
Mr P Forsyth, Team Manager – Assets and Regulatory (Transportation)
Ms S Fortune, Service Manager – Business Finance
Mr I McFarlane, Service Manager, Planning

Visitors Present:

Ms Jane McAllister

Clerk:

Mrs L Gillingwater

Apologies:

Councillor S Brown
Councillor J Caldwell
Councillor T Day

Declarations of Interest:

None

Opening the meeting, the Provost informed Members that Councillor McAllister's daughter Jane had been granted permission to video-record the public proceedings.

Order of Business

Prior to the commencement of business, the Provost announced that there was a requirement for the Council to deal with an urgent item of private business at this meeting. He explained that this item – Proposed Property/Site Acquisition – was urgent due to the timescales involved in the transaction and proposed that it be considered as the final item of business. The Council agreed to consider the urgent item of private business.

1. MINUTES FOR APPROVAL

The minutes of the Council meeting specified below were approved:

East Lothian Council – 28 June 2016

Matter arising: Item 1 (Minutes for Approval) – Councillor Williamson requested an update on the schools' consultation. The Chief Executive advised that she was unable to provide an update at this time, but that there would be a full report on this matter presented to the Education Committee or to the Council in due course.

Matter arising: Item 4 (Edinburgh and South East Scotland City Region Deal) – Councillor McLennan asked for a progress report on this matter. The Chief Executive reported that workshops involving the Scottish and UK Governments had taken place over the summer, but that information on projects remained confidential pending evaluation work being completed. She undertook to provide Members with further information in due course.

Councillor MacKenzie questioned the scrutiny arrangements for the projects. The Chief Executive explained that a key aspect of project selection was economic impact, and that Ernst and Young had been appointed by the Council to carry out economic modelling work. She expected to be in a position to update Members on progress in early October.

Matter arising: Item 5 (Local Government Boundary Commission – Fifth Review) – in response to a request from Councillor McLennan for an update, the Chief Executive informed Members that the Minister would be considering this matter once parliament reconvenes. She noted that each council's submission would be considered on an individual basis, adding that where there was cross-party support, this would be viewed favourably.

Matter arising: Item 10 (Notice of Motion – Closure of Royal Bank of Scotland, Prestonpans) – Councillor Currie asked for an update on the outcome of the meeting with RBS representatives. Councillor Innes reported that, following the postponement of the meeting scheduled for 3 August, he had met with RBS representatives on 19 August, by which time the Prestonpans branch of the bank had closed. He had been advised that the decision to close the branch had been made on the basis of decreasing footfall and customers choosing to bank by different methods. RBS had undertaken to review this decision after a period of one year; they would consult with customers at that time and then report back to the Council. Councillor Innes had been assured that issues such as the increasing population and the introduction of Universal Credit had been taken into account by RBS. He advised that he had expressed his extreme disappointment at this situation and had proposed that the Area Partnership should be involved in the future of the bank building, a proposal that RBS was prepared to consider. Councillor Innes reiterated his dissatisfaction at RBS's decision and at the impact the closure would have on the community.

Councillor Currie expressed his concern at RBS's stance and voiced his scepticism as to the suggestion that the decision to close the branch would be reviewed. He hoped that another bank or a credit union would open in the town.

Councillor Libberton remarked that on a recent visit to RBS's Tranent branch, she found that only one customer was not from the Prestonpans/Cockenzie area. Councillor Berry added that the closure of the branch would affect other retail operations in Prestonpans and that RBS had failed to plan for future growth in the area. He thanked Councillor Innes for his input.

2. MINUTES FOR NOTING

The minutes of the meetings specified below were noted:

Local Review Body (Planning), 19 May 2016

3. SUMMER RECESS BUSINESS

A report was submitted by the Depute Chief Executive (Resources and People Services) informing the Council of urgent business undertaken during the summer recess period in terms of the procedures set out in Standing Order 15.5.

The clerk advised that there had been one piece of business undertaken during the recess period – Financial Review 2016/17, Quarter 1, and that the report had been lodged in the Members' Library.

Councillor Currie questioned the use of summer recess powers in respect of this particular report, which was for noting rather than for approval. The Chief Executive explained that the intention had been to provide Members with this information as soon as possible, rather than waiting until the September Cabinet meeting. She added that the Council's auditors had requested that financial information be published at the earliest opportunity. She welcomed questions from the Members on the report. Councillor Currie welcomed receiving the information earlier than usual, but reiterated his view that he felt it inappropriate to deal with it using the summer recess powers.

Councillor Berry proposed that in future, Members could be provided with the report at the earliest opportunity and then they could consider it at the next Cabinet meeting. The Head of Council Resources, Jim Lamond, took account of Members' views and undertook to present the report to Cabinet in September. He further advised that, in future, the report could be published in the Members' Library during the recess and then brought to the first Cabinet meeting of the session for discussion. He added, however, that should future such reports require an urgent decision to be taken, then it would be appropriate to deal with them using the recess powers.

Decision

The Council agreed:

- i. to note the business undertaken during the Summer Recess period; and
- ii. that the Financial Review 2016/17, Quarter 1 report would be submitted to Cabinet in September for discussion.

4. 2015/16 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 2015/16, and seeking to finalise arrangements for the carry-forward of funds into 2016/17.

The Head of Council Resources, Jim Lamond, presented the report, advising that the draft financial statements had been submitted within the statutory deadline and that the external auditors were close to concluding the audit process. He anticipated that there would be no material changes to the figures contained within the report, and that the external auditors would present their draft Annual Report to Members to the Audit and Governance Committee in September, with the final report being presented to Council on 25 October. He went on to draw attention to the key aspects of the report, including the position with respect to reserves, the financial position across all Council services, services considered to be 'high risk', trading activities, and the position with the Housing Revenue Account (HRA). He also provided an update on the capital programme. He declared that the Council's Financial Strategy was on track, despite the financial challenges facing the Council.

In response to a series of questions from Councillor Currie on budget transfers, Mr Lamond explained that a decision had been taken by the Council to transfer funds from the HRA to the General Services budget and that it would be for the Council to propose a change in this regard. He noted that the transfer was not related to the level of surplus generated, and he recommended that excess funds should be directed to the capital fund.

Councillor Currie also questioned how the overspend on health and social care would be managed, at a time when savings of £2.5m had been identified for that service. Mr Lamond indicated that this was a very complex and challenging area, with care packages accounting for c. 50% of the budget. He advised that Finance staff were working with colleagues in Health and Social Care to ensure that financial matters were up to date, and did not believe that an overspend in one financial year would necessarily result in an overspend in future years. David Small, Director of Health and Social Care, added that efforts were being made to achieve the efficiency target set, and that progress towards meeting the target would become clearer later in the year.

On the capital programme, Councillor Currie expressed concern at the level of slippage and asked what action was being taken to address this. Mr Lamond referred to the regular updating of the capital programme, remarking that slippage was not unusual, nor was it unique to East Lothian Council. He advised that there were valid reasons for the slippage of some projects, and that these projects would be carried forward with earmarked funding. Councillor Currie also commented on the underspend as regards the provision of affordable housing. Mr Lamond noted that this was due to slippage in the affordable housing programme, particularly in relation to developments at Pinkie in Musselburgh and Halhill in Dunbar. He added that the issues with these two developments were not within the Council's control. Douglas Proudfoot, Head of Development, added that the construction at these two sites had been delayed, but that it was expected that the units would be delivered during the current financial year.

Councillor Currie also asked if the funds relating to the Abbeylands site at Dunbar had been repaid to the HRA from the General Services budget. Mr Lamond undertook to look into this matter and report back to Cabinet. Councillor Hampshire indicated that should the car park built on that site be made permanent, then the monies would be repaid to the HRA. Councillor McLennan questioned the timescales for this refund and suggested that the Council's auditors should be asked for their opinion. Mr Lamond proposed that further information on this matter could be included in the Quarter 2 Finance Report.

Responding to questions from Councillor Berry as regards the underspend on parking improvements, Ray Montgomery, Head of Infrastructure referred to proposed parking improvements in North Berwick that had been delayed, noting that they remained part of the planning process.

On pensions liabilities, Mr Lamond advised that the Council had signed up to a stability mechanism and that no changes were required to the employer contribution rate at this time. He did anticipate that there may be a modest increase in Year 3.

Councillor Berry also asked questions in relation to budget underspends and overspends in a number of service areas. He was advised of ongoing service review work within the Planning service, and of a review of care packages and other cost reduction/control measures being applied to Health and Social Care services. Mr Lamond suggested that a greater level of detail on these matters could be included in future reports.

Councillor Akhtar asked for an update on the Council house modernisation programme and on the progress of a number of capital projects. Tom Shearer, Head of Communities and Partnerships, advised that the three areas of priority in 2015/16 were kitchens, bathrooms and energy efficiency. He reported that significant progress had been made, with 491 bathroom completions and 463 kitchen completions. Mr Proudfoot advised that detail on the capital projects underway was included in the Quarter 1 Finance Report.

As regards the Mortgage to Rent Scheme, Mr Lamond reminded Members that there had been increased provision in this area; however, there had only been one application to date in 2016/17. It was unclear if Scottish Government policy had affected levels of interest in this scheme.

In response to a question from Councillor McAllister on the carry-forward of funding for the Early Years Strategy, Mr Lamond was confident that this funding would be used and that further resources may be sought as a result of the increase in early years' provision.

Councillor Berry opened the debate by thanking Mr Lamond and his staff for the report. He voiced his concerns at the underspend in delivering affordable housing and the overspend in Adult Wellbeing services.

Councillor Veitch welcomed the report, stating that the Council's financial strategy was working well, and that most services were working within their budgets. He commented on discussions with Scotrail in relation to extending a number of railway station car parks, as well as the creation of parking facilities in Dunbar.

Making reference to the proposed Local Development Plan, Councillor Goodfellow remarked that it would not be possible for the Council to deliver all the affordable housing units. He welcomed the provision of discounted houses for purchase in his ward.

Councillor Akhtar commended staff on their efforts to work within their budgets, despite recent decreases in Scottish Government grant funding. She highlighted a number of aspects of the report, including the Council house modernisation programme, an increase in examination passes in Maths and English, and the improvement to the school estate.

Councillor Currie claimed that the overspend in the Adult Wellbeing budget was as a result of cuts to that budget, and believed that the budget set was unachievable. He criticised the decision to transfer funds from the HRA to the General Services budget at a time when there was an underspend in the capital programme. On the delivery of Council housing, he argued that the previous Administration had built almost twice as many homes as the current Administration, and that people were now having to wait longer to be housed. He declared

that he could not support Recommendation 2(ii) on the basis that the transfer from the HRA to General Services in 2015/16 was unnecessary.

Councillor Hampshire dismissed Councillor Currie's comments, stating that the Council was continuing to deliver high-quality services in spite of the challenging financial climate. He praised Council staff for their efforts in working within their budgets and achieving efficiency savings. On the provision of affordable housing, he stressed that it was necessary to work with private-sector and other partners in order to deliver the numbers of homes required.

As regards the Adult Wellbeing budget, Councillor Grant spoke of the Council's commitment to reduce costs. He accepted that there may be an overspend on this budget at the end of the financial year, remarking on the challenges of budgeting for a demand-led service.

Referring to the reduction in grant funding from the Scottish Government in 2016/17, Councillor Innes warned of the pressures facing the Council in delivering services to a growing population. He paid tribute to Council staff who, he felt, were working above and beyond their normal duties. He welcomed the report and believed that the Council was in a good position in despite of the challenges it was facing.

Councillor Currie proposed an amendment to Recommendation 2(ii), as follows:

“The Council is recommended to approve the transfer of additional surplus reserves [over and above any contribution which will be used to support future budgets, to the General Services Capital Fund], with the exception of HRA contributions, which for 2015/16 should be returned to that fund for housing purposes.”

Councillor MacKenzie seconded the amendment.

The Provost moved to the vote on the amendment, as proposed by Councillor Currie and seconded by Councillor MacKenzie:

For: 8
Against: 11
Abstentions: 1

The amendment therefore fell, and the recommendations as set out in the report were carried, with 11 votes in favour, 8 against and 1 absention.

Decision

The Council agreed:

- i. to note the financial results for 2015/16, based on the Council's unaudited accounts, including the impact on reserves and Council's financial strategy; and
- ii. to approve the transfer of the additional surplus reserves, over and above any contribution which would be used to support future budgets, to the General Services Capital Fund, in line with the Council's agreed financial strategy.

5. COMMON GOOD FUND – BUDGETS 2016/17 TO 2018/19

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval of the budgets for the Dunbar, Haddington, Musselburgh and North Berwick Common Good Funds for 2016/17 to 2018/19, and recommending that the Fund Committees consider any grant application proposals within these budgets.

The Head of Council Resources, Jim Lamond, presented the report, advising that it provided an update on the financial performance of the Common Good Funds. He drew attention to the balance of each of the four Funds and to the proposed budgets for the coming year.

Councillor Currie asked if there was a mechanism that could be used in cases where there was a need to adjust the budget to progress grant applications, without having to come back to Council for approval. Mr Lamond advised that such matters should be brought before Council for approval, using the 'two-thirds rule' [Standing Order 12] if necessary. He also pointed out that Members were welcome to discuss issues relating to the Common Good budgets with officers in advance of the annual report being prepared for presentation to Council.

Councillor McMillan requested that training for Common Good Committee members should be provided as part of the Councillor Induction Programme 2017. The clerk advised that she would take this forward.

Councillor Hampshire asked if the Area Partnerships could make use of Common Good funds. Mr Lamond advised that this would need to be considered from a legal perspective.

Councillor McMillan commented on the success of the recent Musselburgh Riding of the Marches, which had received Common Good funding of £100,000. He commended all those involved in the organisation of the event and welcomed the contributions and support from various Council services. His comments were supported by Councillor McNeil, who congratulated and thanked the organisers.

Referring to the Musselburgh fund, Councillor Currie welcomed a suggestion from the Chief Executive that Common Good funds and monies from various trusts should be brought together and used for the health and wellbeing of the Musselburgh community.

Decision

The Council agreed to approve the 2016/17 to 2018/18 Common Good Fund budgets.

Sederunt: Councillor Trotter left the meeting.

6. RATIFICATION OF SESPLAN PROPOSED STRATEGIC DEVELOPMENT PLAN 2

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking ratification of the SESplan Proposed Strategic Development Plan 2 (SDP2) and its Action Programme, and noting of the associated documents. The report advised that the SESplan Proposed Strategic Development Plan 2 provides the strategic long-term context for the preparation of Local Development Plans within the south-east Scotland City Region, and sets out a vision and a series of outcomes in relation to the creation of a thriving, successful and sustainable region, including a number of housing and infrastructure proposals relevant to East Lothian Council.

The Service Manager – Planning, Iain McFarlane, presented the report. He began his presentation by informing Members that Midlothian Council had resolved not to ratify the proposed SDP2 at this time, and that this decision may have implications on the timescales for the consultation process. He explained that SDP2 sets out the strategic framework for the next twenty years and would be reviewed further, subject to the Scottish Government's review of planning. He reminded Members of the process to date, and advised that the main focus of SDP2 would be on Edinburgh, with growth corridors into the neighbouring local

authority areas. For East Lothian, the growth corridor would reflect key road and rail routes of the A1 trunk road and East Coast main line, and include the North Berwick branch line. He noted that, in view of the planned developments in the west of East Lothian, there was recognition that there may be a need to restrain further growth in the Musselburgh area. He further advised that SDP2 supported the further development of the proposed Blindwells settlement over and above the existing allocation of 1600 homes, to accommodate 6000 homes, and further retail and employment uses, and that, if required, for housing numbers, a second new settlement could be identified in the east of the county. He added that with the current allocations in the proposed Local Development Plan (LDP), it was unlikely that there would be any significant allocations in the next Local Development Plan, though that would be dependent on the housing numbers in the current proposed SESplan SDP remaining as published. He drew attention to a number of other key aspects of the report, including the sites at Cockenzie and Queen Margaret University (QMU), and transport, and concluded his presentation by stating that the proposed SDP2 would support the proposed Local Development Plan and the funding of cross-boundary transport improvements.

Mr McFarlane answered questions from Councillor MacKenzie in relation to renewable energy.

In response to questions from Councillor Berry, Mr McFarlane indicated that the proposed extension of Blindwells had been included in the Main Issues Report (MIR). As regards the second proposed new settlement, he noted that this would depend on future growth and demand, and had been proposed in order to protect existing settlements from further expansion. He advised that the purpose of the SDP was to identify areas of growth, and the implications for infrastructure would be considered as part of the LDP process. On transport, Councillor Berry suggested that moving a number of railway stations in East Lothian off the east coast mainline would be more effective than developing a four-line section of track between Blindwells and Drem. Mr McFarlane explained that there was work underway involving SESTRAN and other local authorities seeking to address the short- and long-term implications of growth. He made reference to a number of improvements, such as the lengthening of the platform at North Berwick and increasing capacity at Waverley Station. Peter Forsyth, Team Manager – Assets and Regulatory (Transportation), added that Network Rail had commenced a Scottish rail study in 2015 that would look at requirements for the next 40 years. One proposal being considered was a four-line section of track in East Lothian. Councillor Berry reiterated that it would be more cost-effective to move stations off the main line and asked if that had been considered. Mr Forsyth confirmed that this had been looked at, but that due to the complexities of closing stations, the best approach was considered to be introducing a four-line section of track.

Councillor Berry also raised the issue of provision of transport across the Forth estuary. Councillor Hampshire remarked that this would be a commercial operation and no operators had expressed interest in providing such a service. Mr McFarlane added that the option for such a service did exist.

Councillor Currie asked if the Council was committed to having an LDP that identified areas of opencast mining or fracking. Mr McFarlane explained that the LDP had to identify reserves, but not necessarily an area of search. He also explained that it was important to include a criteria-based policy on fracking. Councillor Currie also questioned the suggestion that the tramline could be extended to QMU. Mr Forsyth advised that this proposal was related to transport connections.

Responding to questions from Councillor Currie regarding housing, Mr McFarlane reminded Members that SDP2 was a strategic plan and complied with Scottish Planning Policy as regards the provision of affordable housing, and that the Council's own Local Housing Strategy and LDP guidance should reflect this and consider the tenures. As regards the suggestion that a new settlement may be developed in the east of the county, Mr McFarlane

advised that this was a potential strategic provision, and that if there was such a requirement in the future, the location, etc. would depend on the circumstances at that time. Again, it would be for the LDP to determine this.

Councillor Goodfellow asked questions relating to the delivery of affordable housing. Mr McFarlane pointed out that Section 5.11 of Appendix 2 to the report addressed the shortfall in the housing land supply, and Section 5.12 set out the circumstances under which it would be considered. He also spoke about the scale and proportion of 'market housing' and the various affordable tenures.

Councillor McNeil raised concerns about the future development of Old Craighall, noting that the road network was currently very congested. Mr McFarlane advised that this would be considered as part of the current and future Local Development Plan processes.

Councillor McMillan asked about the likelihood of a rail link between Haddington and Longniddry. Mr McFarlane noted that there was currently no proposal to develop this, but that the line was safeguarded in the Local Development Plan.

Councillor Goodfellow asked if there was a policy of developing brownfield sites as a priority. Mr McFarlane stated that East Lothian Council had always supported the development of brownfield sites before greenfield sites, but that there were no brownfield sites in the county that could accommodate strategic development.

Sederunt: Councillor McLeod left the meeting.

Councillor Hampshire thanked Mr McFarlane and his team for their work on SDP2, a plan that would determine the future of housing, infrastructure and economic development in East Lothian. He welcomed the proposed expansion of the Blindwells settlement and future restraints on developing in the Musselburgh area. He also mentioned the potential opportunities at the QMU and Cockenzie sites for economic development.

Councillor Currie spoke of the need for greater definition of the growth corridor and highlighted the challenges relating to infrastructure development. He also highlighted the need for greater economic development in East Lothian, and expressed concern at the proposal to extend the tramline to QMU, an area that already had good public transport links.

Councillor MacKenzie welcomed the vision set out in SDP2 and the potential opportunities for the Cockenzie site.

Councillor Berry, however, declared that he could not support SDP2, arguing that it did not provide a vision for each SESplan area, nor did it seek to protect the identity of East Lothian. He suggested that the plan should contain a vision to regenerate those areas outwith Edinburgh, and that there should be a greater focus on areas on the Borders rail line. He voiced concern at the lack of infrastructure planning, and claimed that the plan did not address housing tenure issues. He also opposed the proposal to develop a new settlement in the east of East Lothian in the future.

Councillor Veitch shared concerns of other Members in relation to the provision of infrastructure and the proposal to extend the tramline. As a proponent of the compact growth strategy, he indicated that he could not support a dispersed strategy for future growth and stated that he would therefore not be supporting SDP2.

Councillor Goodfellow advised that he was supportive of some aspects of the report, particularly in relation to the Council's ability to limit and control the development of market housing. He did, however, express concern about the inclusion of the North Berwick rail line in the growth corridor.

Councillor McMillan commented on the importance of aligning the City Deal with the Council's Economic Development and Tourism Strategy in order to have greater influence.

Councillor Innes indicated that he would be supporting SDP2. He welcomed the proposal to protect Musselburgh from further significant development in the future. He also supported the potential economic development opportunities at QMU, Blindwells and Cockenzie. He urged Members to support the plan.

Noting Councillor Berry's dissent, the Provost then moved to the vote on the report recommendations:

For: 15
Against: 1
Abstentions: 2

Decision

The Council agreed:

- i. to ratify the SESplan Proposed Strategic Development Plan 2 and the proposed Action Programme, set out in Appendices 2 and 3 of the report, respectively;
- ii. to note the following associated documents – Housing Background Paper (Appendix 4), SDP2 Transport Appraisal (Appendix 5), Updated Environmental Report (Appendix 6), Equalities and Human Rights Impact Assessment (Appendix 7) (all available in the Members' Library – August 2016 Bulletin); and
- iii. to note the publication proposals, as set out in Sections 3.20–3.22 of the report.

7. EAST LINTON RAILSTOP

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) updating Council on the progress made towards the introduction of a local rail service between Edinburgh and Berwick-upon-Tweed, which would include the provision of a new station at East Linton.

The Head of Infrastructure, Ray Montgomery, presented the report, reminding Members of the work undertaken to date, and advising of a recent meeting with the new Transport Minister, Humza Yousaf, at which he had indicated that the Scottish Government was prepared to increase its financial contribution to £5.57m for the East Linton station and £5.32m for the Reston station, equating to 50% of the total cost of each station. A subsequent meeting took place between both councils and SESTRAN, at which it was agreed that a final offer should be submitted to the Scottish Government with a revised contribution of £3.44m from the Council, equating to 38% of the cost of the East Linton station. Members were advised that a joint letter to this effect had been issued to the Transport Minister. Mr Montgomery also advised Members that the construction of a new station at East Linton would result in the level crossing at Markle being closed to vehicular traffic and in the erection of a footbridge; he hoped that the Council could secure a funding contribution towards these interventions of at least 50%.

In response to questions from Councillor McLennan, Mr Montgomery provided an explanation as to why the Council had submitted £3.44m as the final offer, adding that as the station would not be a Council-owned asset, the risk component of the project should therefore lie with Network Rail and the Scottish Government. Councillor McLennan

questioned if the Council had exhausted all options with the Scottish Government as regards risk, and expressed concern that the Council's stance could threaten the project. Mr Montgomery reminded him that the project was being carried out in partnership with Scottish Borders Council and that the Council's proposed contribution was significant. Councillor McLennan reiterated his concern that with no agreement on which body takes the risk the project may not go ahead. He warned against proceeding on this basis.

Sederunt: Councillor Berry left the meeting.

Mr Montgomery provided a further detailed explanation of the financial elements of the project and emphasised that the Council should not bear the risk associated with an asset that it would not own. He also made reference to the SESplan Strategic Development Plan 2 (SDP2) report, approved by Council earlier in the meeting, noting that the development of a station at East Linton was included in SDP2, but that the Council may decide not to go ahead with the station.

Councillor Currie questioned the status of the Council's contribution. Jim Lamond, Head of Council Resources, informed him of a recent change in capital financing regulations which would allow the Council to make a capital contribution to an asset which it did not own. Councillor Currie asked if there would be a further report to Council on the outcome of the bid. Councillor Innes agreed that such a report would be appropriate.

Councillor Veitch welcomed the report and thanked officers, in particular Peter Forsyth, for their work in progressing this joint project. He also paid tribute to those groups and individuals who had campaigned for a station at East Linton. He spoke of the importance of the project in creating additional rail capacity in the east of the county. He also expressed his disappointment at Councillor McLennan's comments.

Councillor McLennan also welcomed the report and the cross-party support for a new station at East Linton. However, he re-stated his view that the Council was at risk of brinkmanship and that he was not satisfied with the answers he had been given to his questions regarding contingencies.

There followed a heated debate, with Members of the Opposition advocating that the Council should do everything in its powers to ensure that the development of the station goes ahead, whilst Members of the Administration warned that by investing additional Council funds in an asset that it would neither own nor operate would result in other capital projects not going ahead.

Councillor Innes reiterated the Administration's commitment to the project and indicated that the Council would be prepared to enter into further negotiations with the Scottish Government, if required.

Decision

The Council agreed:

- i. to endorse the enhanced offer of support proposed within the recent letter to the Transport Minister that would cap the Council's contribution towards a new East Linton rail station at £3.44m;
- ii. to note and approve the related implications in respect of the re-provisioning of Markle level crossing; and

- iii. to note that should the Council's revised offer be accepted and finalised, the significant financial implications would have to be reflected within the Council's capital programme.

8. SUBMISSIONS TO THE MEMBERS' LIBRARY, 16 JUNE – 9 AUGUST 2016

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.

Decision

The Council agreed to note the reports submitted to the Members' Library Services between 16 June and 9 August 2016, as listed in Appendix 1 to the report.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

The Council unanimously agreed to exclude the public from the following business containing exempt information by virtue of Paragraphs 6 and 9 (information concerning the financial or business affairs of any particular person other than the Authority; terms proposed or to be proposed in the course of negotiations for a contract for the acquisition or disposal of property) of Schedule 7A to the Local Government (Scotland) Act 1973.

Proposed Property/Site Acquisition

An urgent private report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking approval for Council officers to engage in an offering process to purchase the land formerly comprising the Cockenzie Generating site. The Council agreed to approve the report.