

REPORT TO: East Lothian Council

MEETING DATE: 31 October 2017

BY: Chief Executive

SUBJECT: 2016/17 East Lothian Council Annual Report

1 PURPOSE

- 1.1 To provide the Council with the 2016/17 East Lothian Council Annual Report.

2 RECOMMENDATIONS

- 2.1 That Council approves the 2016/17 Council Annual Report.

3 BACKGROUND

- 3.1 The Annual Report is a summary of the Council's performance and achievements in the financial year 2016/17 (April 2016 – March 2017). It is structured around the four objectives of the Council Plan 2012-17:

- Growing our Economy
- Growing our People
- Growing our Communities
- Growing our Capacity.

- 3.2 Since this is the final Annual Report covering the period of the 2012-2017 Council Plan it includes an Overview section providing a summary of how the Plan was delivered. It concludes with a summary of the key elements of the new 2017-2022 Council Plan.

- 3.3 The information contained within the Annual 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.

- 3.4 It contains a summary of the 2016/17 Annual Performance Report on the c.100 key performance indicators monitored by the Council via the Policy and Performance Review Committee, which was considered and approved by the Committee on 11 October 2017. This showed that the majority of performance indicators were above or close to their target with an improving or stable trend. Several indicators showed significant improvement in 2016/17. However, the report also highlighted several indicators that were below target or showing a worsening trend, most of which have already been the subject of reports to the Committee.
- 3.5 The main part of the Annual Report provides a summary of some of the key activities and initiatives undertaken in 2016/17 to support the achievement of the Council Plan objectives and commitments.
- 3.6 The Annual Report also provides a summary of the Council's financial performance for 2016/17 as reported in the Council's Annual Accounts along with a note of the financial outlook looking forward into the medium term.
- 3.7 The 2016/17 Annual Report along with the previously published Annual Performance Report and the Council's Annual Accounts provide the public with a comprehensive view of the 'State of the Council'. Following Council approval of these reports a summary, easy to read document bringing together the key elements from each of these annual reports will be published.

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 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

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

7 BACKGROUND PAPERS

7.1 Appendix 1: 2016/17 East Lothian Council Annual Report

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How Good is Your Council?

East Lothian Council's 2016/17 Annual Report

October 2017

Welcome to 'How Good is Your Council?'

East Lothian Council's 2016/17 Annual Report

This is East Lothian Council's Annual Report for 2016/17. It highlights the Council's activities and achievements, and provides information on the Council's performance during the last financial year. It is the last Annual Report covering the period of the 2012-2017 Council 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 report we outline the continuing progress that was made towards achieving the objectives and commitments set out in the Plan.

In 2016/17 the Council continued to be under financial pressure, which has meant budgets were constrained and difficult budget choices had to be made. Despite these pressures we are very pleased that the Council was able to continue to provide high quality services and meet the needs of the people and communities of East Lothian.

Almost all of the commitments made in the 2012-2017 Plan have been fully achieved. The old Plan has formed the foundation for the Council's new 2017-2022 Plan. But the Council continues to face unprecedented financial challenges and increasing demand for more and better services from an ever growing population and communities that quite rightly expect the highest quality of services. As demand for quality services rises and resources are restricted we need to provide best value for money – better services at lower cost.

We understand that East Lothian Council cannot do everything that is required on its own – the people and communities of East Lothian supported by the Council and other agencies can best deliver the solutions required by 'working together for a better East Lothian'. That is why the Plan clearly states that the Council will increasingly become: an enabling and empowering authority, working with its citizens and communities and partners to deliver the solutions that work best for East Lothian; a more entrepreneurial authority; and, a digital authority embracing technology to deliver services.

We have begun a journey of transformation, redesigning services and the way we deliver them through innovation, prioritising prevention and early intervention and working in partnership with other public agencies and communities. 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

Willie Innes
Council Leader

Contents

	Page
Overview	5
2016/17 Annual Performance Report	9
Growing our Economy – to increase sustainable economic growth as the basis for a more prosperous East Lothian	13
Growing our People – to give our children the best start in life and protect vulnerable and older people	16
Children and young people	16
Education	18
Adults and older people	26
Growing our Communities – to give people a real say in the decisions that matter most and provide communities with the housing, transport links, community services and environment that allow them to flourish	29
Community engagement and participation	29
Reducing inequalities	31
Community Housing	32
Transport and roads	36
Community services	38
The environment	45
Regulatory services	47
Growing our Capacity – to deliver excellent services as effectively as possible	50
Council Finances	58
The 2017-2022 Council Plan	61

Overview

The 2012-2017 Council Plan

This is the last Annual Report covering the period of the [2012-2017 East Lothian Council Plan](#): '*Working Together for a Better East Lothian: The East Lothian Council Plan 2012-2017*'. The Plan set out the Council's aim of 'creating a prosperous, safe and sustainable East Lothian that will allow our people and communities to flourish' under four key themes/ 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.

A review of how the 2012-2017 Council Plan was delivered, that was carried out in early 2017, showed that all 80 of the commitments made in the Plan have either been delivered or are at advanced stages of being delivered. Only three actions were shown as only being partly delivered. These are some of the recent achievements.

Growing our Economy

- Over 25 young people supported into job opportunities with local businesses through the Scottish Employment Recruitment Initiative and council funds were used to create paid graduate internships and Modern Apprenticeships
- The Construction and Technology Academy was established in Musselburgh with capacity for 160 places for pupils from East Lothian schools
- The Council supported the creation of the East Lothian Food and Drink Business Improvement District (BID)

- The Council has supported the development of a Master Plan for the former Cockenzie Power Station site which has been the subject of extensive public consultation

Growing our People

- Record low number of children on East Lothian's Child Protection Register with the total never exceeding 30
- Olivebank Child and Family Centre received the highest possible grading of 'Excellent' in all four areas of inspection in its Care Inspectorate Report
- Attainment and post school participation shows an improving trend
- The Council invested over £1.4m in providing a new communications provision for children with additional support needs at Knox Academy
- A Joint Inspection of Older People's Services by the Care Inspectorate highlighted many areas of strength such as outcomes for older people and innovative services

Growing our Communities

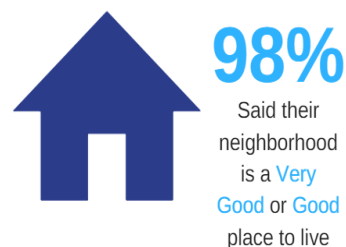
- The Council has continued the council house building programme with several new housing developments which delivered 48 new properties in 2015/16 and a further 100 additional properties added to our housing stock in 2016/17
- Tendering exercises undertaken by the Council for supported bus services resulted in improved services with better and more frequent services in key routes
- The new waste collection service introduced in April 2015 has made a major contribution to increasing East Lothian's waste recycling rate from just under 43% to over 52%
- The six Area Partnerships received £600,000 additional funding in 2016/17 to support initiatives aimed at reducing the attainment gap
- The Council adopted a proposed Local Development Plan which identifies preferred sites for over 10,000 new homes and business growth

Growing the Capacity of our Council

- Legal and Licensing Services received very good results from a national benchmarking exercise which showed they operate efficiently and cost effectively and have high levels of client satisfaction when compared to other local authorities
- Local Government Benchmarking data shows that the Council performed well in respect of several key indicators including measures of public satisfaction with council services, the % of Council Tax and Business Rates collected and the cost of support services and democratic services
- The Council has established a Transformational Change Programme supported by a dedicated Programme Manager team
- The Council was awarded Investor in People (Bronze level) status in 2015 and progressed to Silver level when re-assessed in 2017.

What our citizens say

East Lothian Council, on behalf of East Lothian Partnership, commissioned a Residents Survey which was carried out in March 2017. Face to face interviews were carried out with a representative sample of 1,565 local resident across East Lothian. Topics covered in the Survey included: Neighbourhood and Quality of Life; Community Safety; Health and Wellbeing; Perceptions of the Public Services; and, Local Priorities. As well as providing the public's views on issues that helped to inform the development of the new East Lothian Plan and new Council Plan, the survey provided assurance that East Lothian's citizens still have a very high level of satisfaction with East Lothian as a place to live, with council services and with the way the Council is performing.



The survey found a very high level of satisfaction with council services as shown in the following graph



Survey respondents also were asked to what extent they agreed or disagreed with various statements about the Council. The level of agreement was highest for the following statements:

- My local Council does the best it can with the money available (79% agreed)
- My local Council provides high quality services (72%)
- My local Council designs its services around the needs of the people who use them (70%)

The level of disagreement was highest with regards to:

- I can influence decisions affecting my local area (26% disagreed)
- My Council is good at listening to local people's views before it takes decisions (13%).

2016/17 Annual Performance Report

The Council monitors how well it delivers its services using a range of performance indicators. These indicators are generally reported on a quarterly or annual basis. 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](#).

The Council published its [2016/17 Annual Performance Report](#) in September 2017. The report summarises the performance of around 100 indicators that are regularly monitored by the Council's Policy and Performance Review (PPR) Committee. The report showed that the majority of performance indicators were above or close to their target with an improving or stable trend.

Several indicators showed significant improvement in 2016/17, including:

- calls to the contact centre answered within 20 seconds – up from 44% in 2015/16 to 66.6%
- percentage of S2 pupils reporting they take part in physical activity – up from 75.8% to 81.8%
- traffic lights – average time taken to repair failure fell from 10.3hrs to 4.5hrs
- percentage of dwellings meeting Scottish Housing Quality Standards – increased from 92% to 96%
- Council Tax in-year collection – increased from 96.6% in 2015/16 to 97.5%
- time taken to process change of circumstances in Housing Benefits and Council Tax rebate – fell from 3.5 to 2.6 days
- number of jobs per 10,000 adults – increased from 3191 to 3589
- number of jobs protected and/ or created through grant and loan awards – increased from 276 to 466.

However, several indicators were below target or showed a worsening trend.

Number of delayed discharge patients waiting over 2 weeks (11 as at March 2017)

The trend has been improving since the indicator peaked at 38 in the second quarter of 2016/17. However, this indicator has been consistently below the nationally set target of no delayed discharges over 2 weeks. Actions to address this have been monitored by the Integration Joint Board and reported to the Council's PPR Committee on several occasions over the last year.

Homelessness – average number of days to re-housing (345 days)

This indicator has consistently been above target although the trend has improved through 2016/17. The main reason for not meeting the target in re-housing people on the Council house waiting list is the high demand for, and relatively low turnover of, vacant available houses.

Proportion of Community Payback Orders starting placement within 7 working days (33% as at March 2017)

This indicator fell below target in both Q2 and Q4. Individuals can have more than one Order opened at the same time, but a new Order cannot be started until the current Order is completed. Therefore, of the 33 Orders set in Q4, 11 (33%) started on time, 20 (60%) started late due to client reasons and only 2 (6%) started late due to service reasons.

Number of fly-tipping incidents (583 incidents in the year)

This indicator has consistently been above target since it was established and the PPR Committee has considered several reports on this subject.

Trading Standards advice requests and consumer complaints completed within 14 days (84% and 70%)

Both these indicators have been below the 100% target in 2016/17. It should be noted that whilst all requests and consumer complaints are actioned within 14 days some cases take longer to resolve and complete.

Value of current tenant rent arrears (£1,676,047)

Tenant rent arrears have increased since the introduction of full service Universal Credit in March 2016. Additional resources have been put into the Revenues service in order to mitigate against the negative impact of Universal Credit.

Time taken to process new claims for Housing Benefit and Council Tax Rebate (32.5 days)

This indicator has been affected by the introduction of full service Universal Credit. The complex nature of some Universal Credit claims and the need for claimants to make separate claims for Council Tax Rebate have had a negative impact on the workload of the Benefits service contributing to the negative trend in this indicator.

Percentage of population claiming Job Seekers Allowance (JSA) and Proportion of 18-24 yr olds claiming JSA (2.7% and 3.8%)

These indicators suggest that there has been an increase in out of work benefits claimants in East Lothian at a higher rate than the Scottish rate. However, the number of JSA claimants in East Lothian in the previous year may have been under-recorded due to changes in counting out of work benefits associated with the introduction of Universal Credit which may account for a large part of the recent rise in East Lothian's figures.

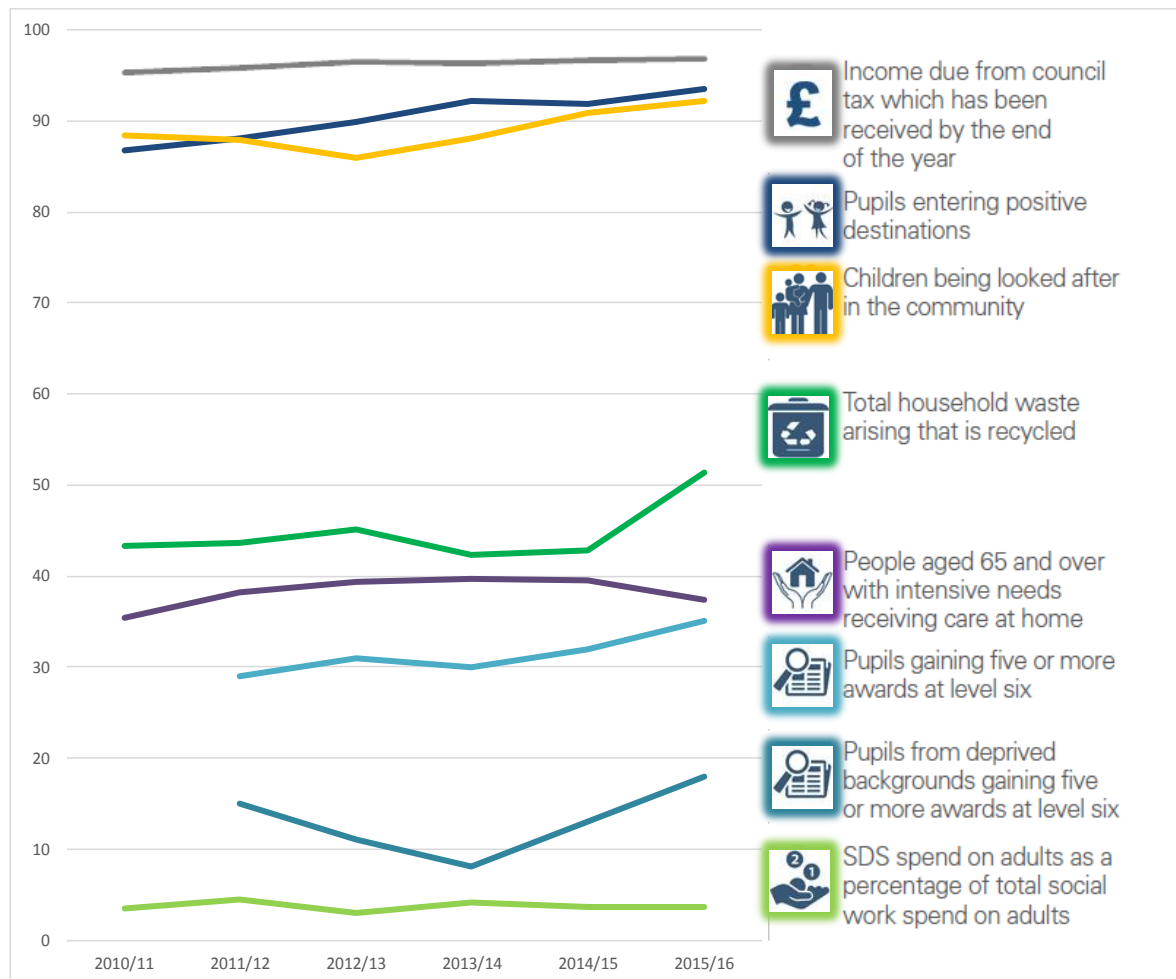
The Local Government Benchmarking Framework

The Local Government Benchmarking Framework brings together a wide range of information about how all Scottish councils perform in delivering services to local communities. The Framework relies on data published by Councils in their Annual Public Performance Reports so is not published until the January of the year after the year to which it relates. So the 2016/17 data will not be available until January 2017.

The last LGBF report published in January 2017 covered the 2015/16 year. It showed that the Council's performance across the LGBF indicators improved slightly during 2015/16. Almost 40% (23) of our indicators are in the top quartile (highest performing) and only 14% (8) are in the bottom quartile (lowest performing). 14 indicators improved their comparative position, 37 remained the same and 8 worsened during 2015/16. The Council uses the LGBF results to identify relatively poorly performance which may require remedial action such as sickness absence, rent arrears and time taken to complete non-emergency repairs. The Council is participating in several benchmarking groups which aim to help councils understand why their performance differs from one another.

The table below shows how several key indicators across a range of services have performed over the period 2010/11 – 2015/16 (the last year for which verified data is available), with all but one showing an improving trend.

Table 1: Five year comparison of key Local Government Benchmarking Framework Indicators



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

East Lothian's Economic Development Strategy 2012-22 identified a series of strengths and weaknesses for economic development in East Lothian. Strengths included a diverse business base with some strong factors such as 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 Economic Development Strategy outlines two strategic goals aimed at building on the strengths and addressing the weaknesses to further improve East Lothian's economic competitiveness:

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

Delivering the Economic Development Strategy is the responsibility of the Sustainable Economy Partnership, which includes the Council, Scottish Enterprise, Skills Development Scotland, Edinburgh College and representatives of the business sector. Particular challenges faced by the Partnership in delivering the Economic Development Strategy include:

- Youth unemployment
- Relatively low wages for people working in East Lothian
- East Lothian has a lower number of businesses per 10,000 population than the Scottish average.

How we did in 2016/17

Developing East Lothian's Young Workforce – East Lothian Works, East Lothian's employability hub, made significant progress in preparing and implementing the 'Developing the Young Workforce Action Plan'. As is shown below East Lothian Works was successful in supporting substantial numbers of unemployed people participate in employability programmes and in supporting over

1,000 senior pupils gain the benefit of work experience placements. In addition, the Council accessed external funding to support 11 local businesses to take on young people with multiple barriers to employment and used existing budgets to create 8 new paid work experience placements, 11 Graduate internships and Modern Apprenticeship opportunities within the council.



Edinburgh and South East Scotland City Region Deal – In partnership with other local authorities in South East Scotland City Region, the council submitted detailed propositions for an ‘Edinburgh and South East Scotland City Region Deal’ to both UK and Scottish Government’s in April 2016. The Deal is a mechanism for accelerating growth by leveraging in significant government investment. By investing this funding in infrastructure, skills and innovation, economic performance will be significantly improved. After a lengthy period of negotiation and deliberation the UK and Scottish Governments announced the basis of the Deal in August 2017 providing significant levels of infrastructure investment into the City Region and East Lothian.

Cockenzie Former Power Station site – During 2016, the Council commissioned Peter Brett Associates to undertake a master-planning exercise for the former power station site at Cockenzie, which has potential to offer significant future employment opportunities. The main purpose of the master-planning exercise is to develop a clear vision for the future of the site with local communities and stakeholders reflecting a shared understanding of the future opportunities and options for this important site. The Council submitted a proposal to buy the site from Scottish Power and in October 2017 Scottish Power announced the Council was the preferred bidder.

Tourism and Visitor Promotion – East Lothian is fortunate to host a wide selection of events that attract visitors from outwith the county such as Fringe by the Sea, Lammermuir Festival, The Saltire and the National Museums’ of Scotland Airshow. This year, the Council collaborated with a range of organisations to welcome several additional events for 2017, including the Scottish

Seniors' Golf Open, and the Tour of Britain cycle race. Day and overnight visitors to East Lothian are increasing and continue to support and provide new opportunities for the tourism sector.

Broadband – the Council continues to engage with key Digital Scotland Superfast Broadband, Community Broadband Scotland and local suppliers to try to resolve issues around the roll out of Broadband. There remain properties and postcodes in East Lothian not expected to achieve minimum levels of broadband coverage. Therefore, the Council has continued to lobby and influence policy in this area and looks forward to detail on the Scottish Government R100 (Reaching 100% coverage) initiative.

Increasing jobs and businesses in the local economy – During 2016/17 the indicators used by the Sustainable Economy Partnership to measure progress against the key objective of increasing jobs and businesses in East Lothian have shown positive trends.

Jobs and Business growth, 2015/16 – 2016/17

	2015/16	2016/17
Number of jobs per 10,000 adults	3,191	3,589
Number of businesses per 10,000 adults	394	407
Number of local business start-ups supported through Business Gateway	148	236
Number of jobs protected and/ or created through grants and loan awards	276	466

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

Children and Young People

Services for children and young people in East Lothian are facing increasing demands. The number of annual referrals to the Children's Services has risen from 1,768 in 2004 to 3,184 by March 2017. The effects of significant changes to benefits, a growing population and greater public and multi-agency awareness about child safety and wellbeing have contributed to the increasing workload. Continued 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.

How we did in 2016/17

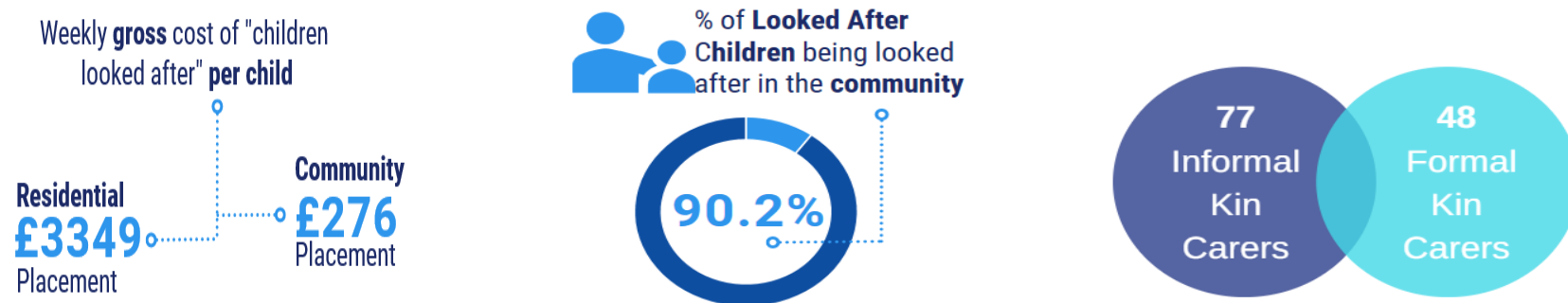
East Lothian Children and Young People's Plan 2017-2020 – To comply with new statutory obligations, East Lothian Children and Young People's Services Plan was refreshed in early 2017. The Plan, which is a joint responsibility between the Council and NHS Lothian, looks at all the services that impact on the lives of children and families, establishes what's working well and what could be better, and sets out how services will be developed and improved.

Alongside supporting the development of the Plan, a major focus of the Council's work in relation to children and young people in 2016/17 has been implementing the provisions contained within the Children and Young People (Scotland) Act 2014 that are aimed at improving outcomes for children and young people.

Allocated Cases and Referrals – There was an average of 872 allocated cases at any one time during the year with average caseloads for practitioners of just over 17. There were 3,184 referrals to the service, a rise of 336 (12%) on the previous year. Over 30% of referrals came from Musselburgh whilst just 5.2% came from the North Berwick cluster. The Police Service was responsible for almost half of the referrals.

Child protection – there was an average of 43 children on the Child Protection Register during the period. The rate per 1,000 (0-15 population) of 2.3 is below the national average rate of 3.0. Child Protection training has been delivered to Council staff and partners on an ongoing basis over the past year.

Looked After Children – East Lothian has a low rate of looked after children and young people compared with the national average. Young people within Residential Care constitute around 10% of the total of East Lothian looked after population. The largest group of children and young people are placed in foster care which has been shown to lead to better outcomes for children and comes at a far lower cost than residential care. East Lothian Council is making greater use of home supervision, formal kin care (where children are legally placed in the custody of friends or relatives) and informal kin care arrangements.



The East Lothian Champions Board provides a platform for care experienced young people to have their voices heard and an opportunity to influence policy and practice at a strategic level. The Champions Board was successful in its bid to the Life Changes Trust for a total of £224,000 in 2016 and is currently in year two of the three year funding period. The funding is supporting the Champions Board to bring about transformational change in the lives of care leavers. The East Lothian Corporate Parenting Plan is structured around the Champions Board 7 Priorities for Change.

Education

East Lothian Council's vision and values for education align with the Key Priorities in the National Improvement Framework for Scottish Education as set out in Scottish Government strategies, '*Achieving Excellence and Equity*' and '*Delivering Excellence and Equity in Scottish Education*'. These are:

- Improvement in attainment, particularly in literacy and numeracy
- Closing the attainment gap between the most and least disadvantaged children
- Improvement in children and young people's health and wellbeing
- Improvement in employability skills and sustained, positive school leaver destinations for all young people.

The Council is responsible for providing education or early learning and childcare for a total of almost 16,500 children and young people. That number is going to rise substantially over the next few years as a result of the commitment to provide 1140 hours of early learning and childcare for all 3 and 4 year olds and 'vulnerable' 2 year olds, and the fast growing population.



8,492

pupils in 35 primary schools



5,641

pupils in 6 secondary schools



2,361

3 and 4-year-olds and 93 eligible
2-year-olds accessing early
learning and childcare

The key challenges facing East Lothian's Education Service are:

- Budget and Resources – delivering on the Scottish Government's commitment to extend the number of Early Learning and Childcare places for eligible 2 year olds and then plan to increase the number of funded early learning & childcare hours from 600 to 1140 per year by 2020; providing for increasing numbers of children and young people who require additional support; recruitment and retention of staff at all levels in schools.
- Managing Change – continuing to develop the Curriculum for Excellence; delivering the commitments to improve attainment and reduce the attainment gap between the highest and lowest attaining pupils and looked after children; implementing the new National Improvement Framework; and implementing the new requirements set out in legislation and national initiatives including: Children and Young People (Scotland) Act 2014; Education (Scotland) Act 2016, and the Education Governance Review.

How we did in 2016/17

Early Learning and Childcare

The Early Learning & Childcare Strategy 2016-2021 focuses on improving outcomes and closing the attainment gap for children in East Lothian and on delivering the increase in funded Early Learning Childcare provision from 600 to 1140 hours by 2020.

The Council invested over £0.5m at Prestonpans Early Learning and Childcare Centre (formerly known as The Red School) to provide early learning and childcare for children aged 2 to 5 years. The new provision is scheduled to open in October 2017.

A new Tots & Teens Provision, the third of its kind in East Lothian, opened at Musselburgh Grammar School in September 2016 to compliment the childcare modules undertaken by pupils, encouraging them to consider Childcare as a career.

Primary Education

From August 2016, the Scottish Government started collecting teacher 'professional judgement' on Curriculum for Excellence achievement of a level in literacy (reading, writing and listening and talking) and in numeracy at Primary 1, Primary 4, Primary 7 and Secondary 3. The National Improvement Framework Report (December 2016) published these teacher 'professional judgement' ratings at national, local authority and individual school level. These statistics are classified as 'experimental statistics' as they are still an evolving approach to assessment and cannot be used for benchmarking performance. The table below sets out the experimental statistical data for East Lothian Council for 2015/2016, the 2016/17 data is expected to be published in December 2017.

CfE level and stage	Reading	Writing	Listening & talking	Numeracy
Early level by the end of P1	73%	64%	82%	74%
First level by the end of P4	69%	63%	78%	67%
Second level by the end of P7	60%	52%	69%	56%
Third level or above by the end of S3	84%	81%	82%	68%

Quality Assurance and Moderation Support Officers are providing support and advice to improve teacher confidence in their judgment of pupil achievement. New English and literacy and Mathematics and numeracy curriculum frameworks will be implemented in the 2017/18 academic session to improve consistency in planning teaching, learning and assessment.

The Early Development Instrument (EDI) is a ground breaking study that measures young children's readiness to learn across a range of factors. The second phase of the study was carried out in 2016. The results of the 2016 study and comparison with the 2012 study indicate:

- Greater percentages of children were vulnerable in Physical Health and Wellbeing, Emotional Maturity and overall across the five domains in 2016 compared to 2012.

- The majority of children entering P1 have the skills needed for successful learning. However, there is a notable variation in children's readiness to learn across the county, and across socio-economic groups.
- Girls are less likely to be vulnerable compared to boys.


The Education Service Improvement Plan 2017/18 sets out actions to address areas for improvement highlighted by the EDI report.

Secondary Education

Analysis of the interim results of the SQA National Courses in 2017 showed that overall exam results were either maintained or showed an improvement over the previous year's results at most levels.

Overall, attainment and post school participation in East Lothian shows an improving trend over the seven-year period to 2016. East Lothian's performance in 2016 is typically higher than the national trend. For example, the percentage of young people achieving Grade A awards in English and Mathematics at National 5 is at the highest rate in 5 years

Some of the highlights in the Council's performance in SQA awards 2016/17 included:

Number of pupils gaining
5+ awards at level 5
IMPROVED
By 13% 

78.5% of National 5 entries passed with an A-C award, an increase on last year's rate of 76.9

35.5% passed at Grade A (Band 1 or 2), a 3.1% improvement on the previous year and the highest rate since National 5 qualifications were introduced in 2014

100% Pass rates for National Qualifications 2 to 4 remain consistent

However, there are areas where further improvements still need to be made, for example in Literacy and Numeracy at SCQF Levels 5 and 6 or better, and overall in the middle 60% attaining grouping of pupils, to bring East Lothian's performance more in line with its 'Virtual Comparator'.

Post school participation in East Lothian shows an improving trend since 2008/09. East Lothian's performance in 2016 saw an increase of 1.7% on the previous year with 93.5% entering a positive destination, its highest rate over the last eight years, and just above the national average. Overall the gap in positive destinations between East Lothian leavers from the 30% most deprived areas and the 30% least deprived areas has decreased slightly from 11.7 percentage points in 2012 to 8.9 percentage points in 2016.

The East Lothian Construction and Technology Centre

The East Lothian Construction and Technology Centre opened in Musselburgh in August 2016 providing young people with better access to relevant vocational learning opportunities within construction and related skills within East Lothian. The new centre is a partnership initiative with Edinburgh College and key industry partners, including Morrison Construction and Hart Builders. It offers qualification opportunities in skills in future technologies and construction and traditional crafts, alongside development and enhancement of core skills and attitudes for employability. The Centre has capacity to take 160 young people from all 6 East Lothian Secondary Schools. In 2016/17, 48 pupils undertook SCQF level 4 Skills for Work Construction Skills courses, 6 pupils undertook SCQF level 5 SQA National Progression Award in Brickwork and 7 pupils undertook a pre-vocational course in construction skills.

Policy Development

During 2016/17 the Council has developed and adopted several strategies and policies that have been informed by engagement with children, young people and parents.

The Education Accessibility Strategy 2017-2020 sets out how the Education Service will ensure improvements in the Curriculum (increasing disabled pupil's participation); improve the physical environment of schools to enable better access to education and associated providers; and improve communication with disabled pupils.

The Respect for All – Anti-Bullying Policy will be implemented in all East Lothian Council Schools and Early Learning and Childcare Settings. It will be embedded through a series of training presentations and cascaded to staff, pupils, parents and parent councils during 2017/18.

The Parental Engagement Strategy 2017-2020 sets out how the Education Service will support our schools and partner providers to ensure all parents and carers are encouraged and supported to engage in their children's learning and to become involved in the life and work of the school.

East Lothian Council's Play Policy which acknowledges the importance of play for children of all ages was developed by a stakeholder group from across our communities. Actions to enhance children's and young people's opportunities to play will be set out within the Education Service Action Plan 2017/18.

School Consultations

During 2016/17 the Education Service successfully consulted on the development of education provision on several location, relocation and school catchment area change proposals, including:

- the relocation of Wallyford Primary School
- the location of a new additional secondary education provision in the Musselburgh area
- the establishment of a new primary school with early learning & childcare provision and its associated catchment area at Craighall
- proposed changes to several primary school catchment areas.

The proposed changes will allow the Council to manage the school estate and provide sufficient school accommodation in light of a growing community as a result of committed and planned developments within the emerging Local Development Plan.

Student Evaluation of Experience (SEE)

The annual SEE Survey asks pupils in P6 and S2 for their views on a wide range of subjects, including teaching and learning, community safety, participation, child protection, physical/sports activities and environmental issues.

The combined P6 and S2 percentages (positive responses) under each heading in 2016-17 were roughly in line with the previous year with the exception of those under the 'Included' category which increased by 6 percentage points to 84.8%. The 'Respected' category also showed a 2.6 percentage point increase to 75.6%. Overall, positive responses within the 'Nurtured' category remain the lowest at 67.2% with the 'Safe' category remaining the highest at 91.2%.

Most notable improvements in 2016/17 on the previous year for the Education Service related measures at an authority level are:

- % of S2 pupils agreeing that they enjoy being at their school – increased from 75.7% to 80.1%
- % of P6 pupils agreeing that most pupils behave well in school – increased from 78.3% to 81.9%
- % of P6 and S2 pupils agreeing that pupils in their school take account of other people's feelings and viewpoints – increased from 79.7% to 83.1% (P6) and 58.0% to 61.0% (S2)
- % of S2 pupils agreeing that they take part in physical activities outside the school day – increase from 75.8% to 81.8%.

Percentage of pupils taking part in physical activities outside the school day



Percentage of primary 6 and second year pupils agreeing that the school recognises their achievements made in school and outside of school



Areas for further improvement for the Education Service and partners are:

- % of P6 and S2 pupils agreeing that they use the school web log/site/learning log to help in their learning
- % of S2 pupils agreeing that the school recognises their achievements out of school that most pupils behave well in school, and that pupils in their school take account of other people's feelings and viewpoints.

School Inspections and Reviews

Education Scotland inspected one primary school and secondary school in session 2016/17. St Mary's RC PS received a positive inspection report with a number of key strengths identified by Inspectors. The Knox Academy inspection was not so positive with only one indicator judged as Good; two as Satisfactory; and one evaluated as Weak.

The Education Service is supporting Knox Academy to address the areas for improvement identified during the inspection. Officers undertook a progress visit June 2017 and will seek further evidence of progress to address the areas for improvement throughout session 2017/18 prior to the Education Scotland follow up visit March 2018.

In partnership with Education Scotland's Attainment Adviser, the Education Service successfully undertook eight school reviews across our primary schools to validating the school's evaluation of strengths and areas for improvement. The outcome of the review visits has informed the key priorities for action in the Education Service Plan 2017/18 to address areas for improvement to meet children's entitlement to a Broad General Education and planning learning, teaching and assessment.

Developing our Curriculum

Staff across all our schools worked collaboratively to lead in the development of curriculum frameworks from 3 to 18 in English and literacy, Numeracy and Mathematics, Health and wellbeing, Science and Social subjects. These frameworks have been developed to support progression, develop knowledge and skills and ensure there is a consistent and shared understanding of standards and expectations for our children and young people. Further frameworks are being developed in 2017/18 for Religious and Moral Education, Modern Languages, Technologies and Expressive Arts.

The Education Service conducted a review of the 1+2 Modern Languages Strategy and undertook an exercise to review progress against national expectations. The priority actions identified within the 1+2 ML review exercise will be taken forward in 2017/18.

Adults and Older People

Services for adults and older people are provided by the Health and Social Care Partnership, which brings together services previously run by the Council or NHS Lothian. The Partnership is governed by the Integration Joint Board (IJB) with members appointed by the Council and NHS Lothian along with representatives of stakeholder groups such as service users.

The Partnership and IJB have faced several key challenges over the last year including:

- Growing demand for services from the rising older population which puts strain on budgets for care at home and home care
- Difficulty in meeting the demand for care at home services due to difficulties in staff recruitment and retention
- Persistent levels of delayed discharge – older people staying in hospital longer than necessary.

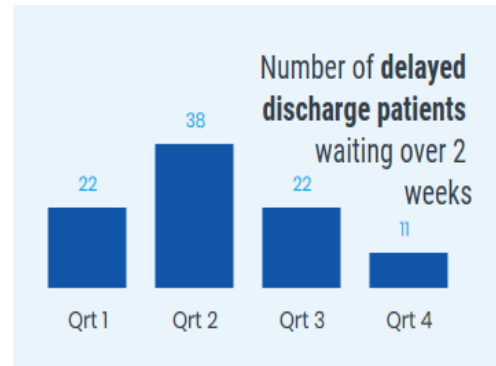
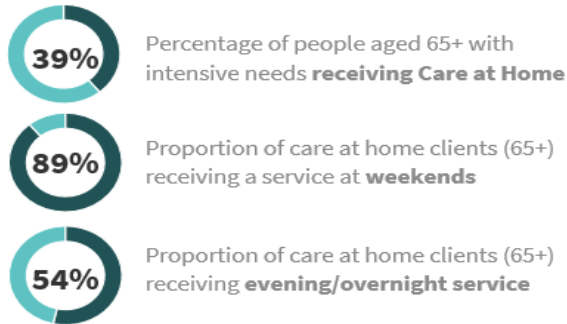
How we did in 2016/17

East Lothian IJB published its first [Annual Performance Report](#) on 24th August 2017. The report showed health and social care integration had achieved some very positive outcomes for people in East Lothian. For example, 95% of adults supported at home are able to look after their health very well or quite well (the Scottish average is 94%); 92% of adults supported at home agreed that their services and support had an impact on improving or maintaining their quality of life.

Success stories include the launch of the new Help with Independent Living and Daily Activity (HILDA) self-help web site; 1st Response mental health drop-in sessions; the Care Home Team, Hospital at Home and Hospital to Home Teams.

However, there are also areas that the IJB needs to focus on over the next year, including looking at how to reduce emergency admissions to hospital (consistently above the 0 delayed discharge in 2 week target); helping more people to have end-of-life care at home or in a homely setting; continuing to drive up care service inspection grades, and continuing to build the positive experience of GP care, currently sitting at 85% in East Lothian.

Providing Care at Home



Over the last year adult and older people's services have led on two major projects which aim to increase the efficiency and effectiveness of care at home services and older people's day care.

Care at Home Provision

A large £20 million Care @ Home re-modelling and procurement project ran throughout 2016/17. Key phases of the project during this year included:

- Stakeholder engagement
- Pilot modelling
- Specification development
- Formal procurement exercise
- Assessment of tenders
- Award of new contracts.

The project has successfully allowed the Council to move away from two frameworks, one providing care at home to older people over 65 and the other providing care at home to adults with specialist support needs, to operating a single framework providing care at home support to all clients regardless of age or support need.

The project also introduced a means by which providers could work with individuals in a different way – care and support being organised to achieve personal outcomes agreed between the provider and the client and funded through a Personal Budget. This is a departure from social workers prescribing how support is delivered by the day and hour and provides Self Directed Support style independence for those opting for this option.

Older Peoples' Day Care

This project is addressing several challenges linked to long standing care @ home provision, such as a lack of day care capacity and low Care Inspectorate grades for existing Day Centres.

The project adopted a co-production approach to reviewing day care provision for older people. The project involved Council officers working with the East Lothian Association of Day Centres, the ten day centres and other stakeholders including elected members. It looked at key elements of day care provision including the model of care, training, transport, data collection and the role of the association. Several events were held where these issues were explored in detail and progress reported back.

The IJB considered a report in early 2017 proposing a way forward for day centre provision for the next three years, based on developing the centres as health and social care centres. This model will support opportunities to improve service delivery by taking pressure off care at home provision, providing one stop shops for a range of professions and services, providing respite opportunities for carers, preventing delayed discharge through the use of emergency places. This proposal was accepted with further investment agreed to allow all ten day centres to be funded more equitably based on the number of registered places they offer and are able to fill.

East Lothian has developed an innovative model – ten small charities led by committees whose members are all over 65, running all older peoples day care provision – older people providing support to other older people with increased needs in their local communities.

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

Community Engagement and Participation

The Council is committed to ensuring that services are built around people and communities. Therefore 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.

It has an ambitious programme of devolving decision making to the most appropriate level and empowering communities through establishing Area Partnerships to develop strategies and Area Plans tailored to their needs backed by significant budgets.

The Council recognises the importance of people having a voice and that voice being heard and has produced a [Guide to Community Participation Opportunities](#) that sets out the many ways in which communities and individuals can engage with the Council to help develop and enhance vibrant and cohesive community life; including, Community Councils, Area Partnerships, Tenants and Residents Associations, the Citizen's Panel, Residents Reviews, involvement in users and stakeholder groups and responding via the [Consultation Hub](#) to the many consultation exercises held by the Council.

The Council's proactive approach to community engagement and participation means that it is well placed to respond to the new duties and responsibilities it has been given through the Community Empowerment (Scotland) Act 2016 around community participation requests and asset transfer requests.

How we did in 2016/17

Area Partnerships – the six Area Partnerships that were set up in 2014 have continued to develop and play a positive role for their communities. They have been working to achieve the priorities set out in their Area Plans. All Partnerships have held annual public meetings which were used as opportunities to engage with the wider public on the development of priorities for action in the Area Plans.

The Council devolved a total of £1.85m in 2016/17 to the six Area Partnerships from four funding streams:

- £600,000 for services provided by the Council’s Amenities Services
- £300,000 for roads capital expenditure
- £350,000 for non-recurring general services
- £600,000 to be used for initiatives aimed raising attainment and reducing the attainment gap.

The funding has been used for a variety of activities across the six Partnerships. Listed below are just some of the projects that one Area Partnership, Haddington & Lammermuir, supported over the past year:

- Knox Academy study support
- “Buddy Bear” anti-bullying programme in all primary schools
- Upgrade of section of footpath from Gifford to Sandyford Burn
- HETRA Mental Health peer support group
- Garvald Youth Shelter
- Haddington “Good Memories” Dementia group’

Consultation and Engagement – the Council refreshed the membership of the East Lothian Citizens Panel that was established in 2014. The Panel now has around registered members who are approached at least twice a year to complete a Panel questionnaire. Panel members have also been invited to get involved in other consultation and engagement activities, such as a

focus group that will be consulted on the design of the new Council website. Topics covered in Panel questionnaires have involved transport, community safety, health and wellbeing, recycling and satisfaction with Council services.

The Council's Consultation Hub hosted a large number of consultations, including the many School location, relocation and catchment area consultations highlighted in the Education section above. The results of some of the consultation exercises carried out during the last year have been summarised in the [You Said...We Did](#) case studies included in relevant sections of the report.

Reducing Inequalities

The review of the Council Plan carried out in October 2014 included an assessment of levels of inequality in East Lothian. Given the evidence of growing levels of deprivation and relative inequality across East Lothian the Council agreed that the existing Council Plan commitment to tackling inequalities should be given a higher priority by adopting the overarching priority: *To reduce inequalities across and within our communities.*

The Council established the East Lothian Poverty Commission in early 2016 to bring a new perspective and greater understanding of poverty and to make recommendations for how poverty and the cycle of deprivation can be tackled in East Lothian. The Commission, which was chaired by Annette Bruton, Principal of Edinburgh College reported in late 2016.

The [Poverty Commission report](#) highlighted issues of in-work poverty, the impact of a cycle of poverty and the strain that living in poverty places on people's individual and family mental health and overall wellbeing. It also highlighted the ongoing stigma and social isolation experienced by those living in or close to poverty. The Commissioners said '*everyone has the right to a decent standard of living - a right to a life free from poverty*' and challenged all public agencies and communities to pay more attention to poverty.

The detailed evidence based report included 56 recommendations based around the following themes:

- Having a home
- Financially included
- Secure and Protected

- Educated
- Working your way out of Poverty
- Healthy and Well
- Connected to the Community
- Empowered and responsible

The recommendations included a mixture of short term and longer term outcomes. During the course of the work of the Commission some progress has been made on some recommendations, including, for example, supporting the development of a Credit Union facility in Prestonpans, and introducing a new Integrated Impact Assessment framework.

Work is progressing on implementing an Action Plan based on the Poverty Commission's recommendations which will form key elements of work for several Council services including Education, East Lothian Works and Community Housing.

Community Housing

The [East Lothian Local Housing Strategy 2012-2017](#) outlines how the Council addresses issues relating to housing, homelessness, housing support and fuel poverty.

Demand for new housing in East Lothian is very high. However, in recent years there has been a limited supply of land available for new housing in the area. Therefore increasing the supply of affordable housing is a key priority for the Council. The Local Development Plan is crucial in this as it identifies potential housing development sites which will enable the delivery of new housing-building programmes at scale and pace. The provision of more affordable housing is crucial to reducing the number of people on the Council housing list, which has fallen from over 4,500 to 3,700 but is beginning to rise again and to reduce the number of homeless people in temporary accommodation and B&B emergency accommodation.

There is growing evidence that Universal Credit is having a significant financial impact on Council tenants and the Council's Housing Revenue Account. The Council is working closely with partners to support claimants through the transition into Universal Credit and to help manage rent arrears and prevent homelessness. Assisting tenants affected by the roll out of Full Service Universal Credit

has placed additional demands on our local housing and homeless teams. Meeting the demand from homeless applicants is proving to be increasingly challenging for local authorities, and in East Lothian we have seen the average length of time spent in temporary accommodation grow from 162 days in 2015/16 to 192 days in 2016/17.

Other key priorities for the Council's Community Housing Service include maintaining a high level of tenant satisfaction and continuing with the council capital investment programme to ensure the council house modernisation programme is delivered to help meet the Energy Efficiency Standard for Social Housing (EESH) and Scottish Housing Quality Standard (SHQS).

How we did in 2016/17

The [2017 Landlord Report](#) outlines the key performance areas. These are a few of the highlights from the report.

New Council housing – the Council delivered 100 additional properties in 2016/17: in Dunbar, North Berwick and Musselburgh. A further 53 new build units will be completed in 2017/18. In addition the Council has acquired additional housing stock through a programme of targeted purchases for sale on the open market.

Modernisation – The Council's house modernisation programme provided a wide range of improvements to Council tenants' homes.



Tenants' satisfaction with the modernisation that has been carried out was very high.



Rents – the Council carried out extensive consultation with tenants on rent levels and budget plans prior too setting the 2016/17 housing budget. Following the consultation which agreed with proposals to increase rents and to progress with the modernisation programme, Council house rents were increased in April 2016 by 5%.

98% agreed that the Council should modernise its existing stock

91% thought that their rent is good value for money

76% thought the Council was proposing a fair rent increase

East Lothian's Council house rents are still among the lowest in Scotland. For example, the weekly rent for 4-apartment Council house in East Lothian is £60.88 compared to the Scottish local authority average of £75.40 (2016/17).

Repairs – working with the Property Maintenance service, Community Housing aims to ensure that repairs are carried out to the highest standards as quickly as possible in line with the Scottish Housing Charter objectives. In 2016/17 the Council undertook 12,838 domestic day-to-day repairs and 8,731 domestic emergency repairs. The Council improved its average turnaround time for both categories by 1 day for day-to-day repairs to 12.75 days, and from 5.04 to 4.98 hours for emergency repairs. In 2016/17 the Council turned around its empty properties in an average of 34.9 days, which was a significant increase from the previous year, and similar to the Scottish local authority average of 33.6 days.



Fuel poverty – in 2016/17 the Council carried out 589 central heating upgrades and other work to improve the energy efficiency of our properties including insulation and other energy reduction measures. Information and advice was provided, targeting vulnerable households identified as being most susceptible to fuel poverty. A pilot project with Citrus energy, to ensure tenants get advice on the cheapest energy providers, was also run to help reduce fuel poverty. This pilot has been successful and the service will be rolled out to all new Council tenants.

Energy Efficiency Standard for Social Housing & Scottish Housing Quality Standard – As at March 2017, 37% of the Council stock was recorded as meeting the new EESSH standard. The Council is developing plans to ensure full compliance by 2020. The percentage of housing stock fully compliant with the SQHS has increased to 96%.



Work is ongoing to encourage owners to participate in communal works (such as door entry systems) to help achieve full compliance. The Council is now undertaking a rolling programme of stock condition surveys (including energy assessments) to ensure the data held is accurate and up-to-date, to ensure planned programmes are targeted most appropriately.

Transport and Roads

Good transport links and good standard of roads whether it is for work, leisure or for the delivery of the goods and services are fundamental to maintaining a dynamic economy and flourishing communities. The vision for the Local Transport Strategy, which aims to support the East Lothian vision is that East Lothian will have well-connected communities with increased use of sustainable transport to access services and amenities. There are two key challenges for our Transport Strategy:

- 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. The drive to improve bus connectivity and travel times is a must if we are to keep East Lothian moving over the next 10 years of house building, as the present road infrastructure cannot sustain the projected increase car usage.
- 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, costly, less frequent and more difficult to access.

How we did in 2016/17

Supported bus services (non-commercially viable routes that require Council subsidy) have continued to see an increase in users throughout East Lothian since new contracts were set up in May 2015. First Bus, one of the main bus service providers in East Lothian pulled out of East Lothian in 2016. However, its services were taken over by a new provider, East Coast buses, which increased investment in the network, and has secured a 5% to 35% increase in users over various routes. Other operators Prentice and Border Buses (previously Perrymans) have also expanded routes.

The Council has supported a community initiative piloting a community bus project from Humbleton to Haddington which has attracted an average 8 passengers per trip.

The introduction of smart card technology, allowing school pupils to use their Young Scot cards on scheduled buses has seen over 1400 school children utilising this facility for home to school transport – reducing costs to the council and supporting the local bus network. On the back of the success with the school children using smartcard technology two operators – Prentice Coaches and

Eve Coaches – now offer similar products to their commercial passengers with other providers also planning to introduce this facility.

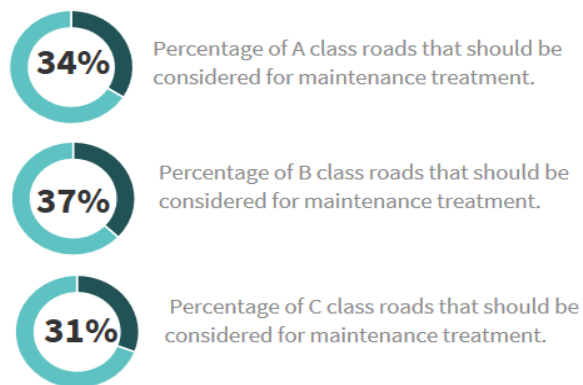
The Bus Forum continues to operate successfully and meets two times a year, bringing together all the bus operators, the Council and users to discuss all aspects of the bus network.

The Council has continued to lobby for improvements to stations, rail services and rolling stock operating from East Lothian and in particular has supported the proposal to re-open a rail stop and station in East Linton.

The maintenance of our 920 kilometres of roads, our pavements and street lighting continues to be a priority for the Council. In 2016/17 the Council invested over £5.5m on road renewal and repairs and the programme of replacing old, inefficient street lighting with new luminaires fitted with LED lighting.



Maintaining Our Road Network



Improved road safety continues to be a priority for the Council and its partners, including Police Scotland the Fire and Rescue Service. Work related to improving road safety over the last year included:

- approval of the Road Safety Plan
- road safety education – including Junior Road safety officers, 2MOROs Driver event pedestrian, cyclist and motorcyclist safety training
- studies into accidents and the subsequent implementation of appropriate prevention measures to achieve 2020 national casualty targets
- consideration of road construction and maintenance works to improve road safety
- work to secure the convenient and safe movement of vehicular and other traffic, including pedestrians
- the implementation of school streets initiatives, speed reduction and speed calming measures
- piloting 20mph speed restrictions in several areas where there has been local demand and support.

Community Services

One of East Lothian's strengths is the strong sense of community in each of its towns and villages. The services provided by the Council across all of East Lothian help to make our communities balanced and sustainable communities. This section of the report highlights some of the community services and activities that are so important to our communities, including: Customer Services (libraries and Area Offices), Amenity and Leisure Services, and the vital services provided by the Council's Facilities Management Service.

Customer Services

The Council's customer services include area offices, libraries and the Contact Centre. During 2016/17 the service made further progress in integrating library and customer services operating from our joint facilities in Dunbar (Bisachingfield), North Berwick and Tranent (George Johnstone Centre) and developing closer links between the school and the public library services.

Libraries and Area Offices are increasingly used to provide support to customers who need advice and assistance in using digital technology to access Universal credit which has put increasing pressure on some offices and libraries.

YOU SAID WE DID....

Changes to Prestonpans Library and Aldhammer House

We asked

We carried out a consultation to gather views on proposals to move customer services from Aldhammer House to Prestonpans Library.

You said

The majority of respondents said that they wanted the two services to remain in separate buildings and did not want to see any changes to the Library building. A small majority (54%) said that they would like to see an increase to Library opening hours.

We did

Based on the feedback, we decided not to relocate customer services from Aldhammer House to Prestonpans Library. However, we did increase the Library's opening hours by 6 hours a week in order to encourage more use by schools. We also decided to make use of vacant office space at Aldhammer House to accommodate Capital Credit Union. The services provided in Council buildings in Prestonpans may be revisited in the future as part of a fuller review of public sector accommodation in Prestonpans.

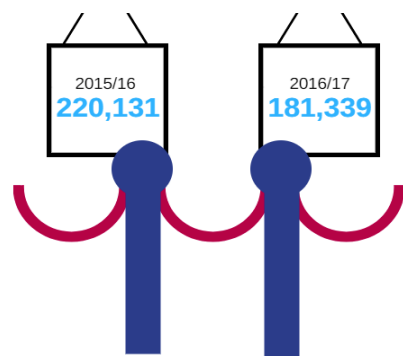
East Lothian Council was part of the National initiative to establish Coding Clubs in libraries supported by staff and volunteers. Coding Clubs now operate in five of our libraries, including Musselburgh, Haddington, and North Berwick. These Coding Clubs along with Lego clubs are equally attractive to girls and boys and will hopefully assist in children gaining and interest and skills in Science, Technology, Engineering and Mathematics (STEM) subjects.

Several Customer Service Assistant Trainee posts in libraries were created in 2016. These part-time posts have mainly been filled by senior school students/school leavers, and their energy and enthusiasm has been invaluable in supporting customers to use digital technology and to assist all our customers in making the most of our library services.

In 2016, changes were made to the Council's Mobile Library Service so that eight of villages to the east and west of the county are provided a Mobile Library by Live Borders Trust and Midlothian Council. East Lothian residents are making good use of this service.

East Lothian Library Service was a finalist for Service Team of the Year 2016 in the Sport, Leisure and Culture category in the APSE Awards held in November 2016.

Libraries and Museums visitor numbers fell in 2016/17 compared to the record high numbers achieved in the previous year.



Number of visits to museums

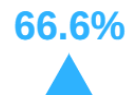


Number of visits to libraries

The Council's Contact Centre provides a key front-line access to all Council services for the public. Ever growing numbers are using the Contact Centre to make requests for a service, report a fault, make a payment for service or merely to seek to speak to a council officer about an issue. Despite the growth in demand for the service and the growing complexity of some of the issues dealt with the Contact Centre managed to maintain and in some cases improve its performance through 2016/17.



Calls to the contact centre answered within 20 seconds up from 44% in 2015/16



As part of the Council’s change programme and to meet changing public expectations about how to access services the Council has started a major procurement exercise to put a new Customer Relationship Management (CRM) system in place to better manage how we deal with customer contacts and to increase the range of on-lone digital services available to the public on the Council’s website and through smart phones.

Amenity and Leisure Services

2016/ 17 saw the Council’s amenity services deliver a wide range of work and projects in partnership with the county’s six Area Partnerships including new and extended path networks supporting active infrastructure locally. Priorities for the service have included: improving greenspace within our parks and open spaces; supporting a range of local groups and organisations including, various Parks Friends Groups, In Bloom Groups, Community Councils, and Residents’ Associations.

East Lothian’s Countryside Volunteers, working alongside our Countryside Rangers continue to be a model of good practice and have been highlighted as best practice nationally. Involving our local people in managing our special environment here in East Lothian is both important and invaluable in maintaining high quality coastal and countryside sites. The network of path volunteers are making a significant contribution to East Lothian’s path network.

The Sports Development Team continue to support and deliver sporting pathways across the county ensuring that there are systems and processes in place for talented East Lothian performers to achieve their potential. There continues to be an impressive representation from East Lothian in regional and national sporting squads. The range of activities and opportunities to participate in sport and physical activity continues to grow. Active Schools participation levels in East Lothian, which are around

10% higher than the Scottish average, have increased by 30% per cent over the last five years with 160,000 visits recorded during the academic year 2016/17.

YOU SAID WE DID....

Lewisvale Park Revamp

We asked

Printed questionnaires were distributed during the 'Live from Lewisvale' event during the Riding of the Marches, along with voting sheets proposing three different designs for a new children's play facility. An online survey was also available and promoted via social media. The consultation was run by Musselburgh Area Partnership and nearly 700 people took part.

You said

64% of respondents said they were not satisfied with the activities available at the park and felt that there was not enough to do. 41% said they would like to see the children's play facilities improved.

We did

Based on the feedback received Musselburgh Area Partnership agreed to invest £37,000 in a revamp of the children's play park, with the work being carried out by the Council's Amenity Services.

The last few year have seen a big rise in Community Sports Hub (CSH) activity. In 2016/17, 1,215 people within East Lothian put on activity sessions at CSHs compared to 825 in 2013/14, demonstrating the significant impact community volunteers put towards running and organising local sport.

enjoyleisure, the Council's partner in providing leisure and sports services, continues to grow the number of visits to our indoor sports and swimming facilities and have provided enhanced health and fitness classes across the county. The new learn to swim programme is reaching more children more often than before with a significant increase in lessons delivered.

Number of **attendances**
at **pools** in the year



482,823

Number of **attendances**
at **indoor sports & leisure**
facilities in the year



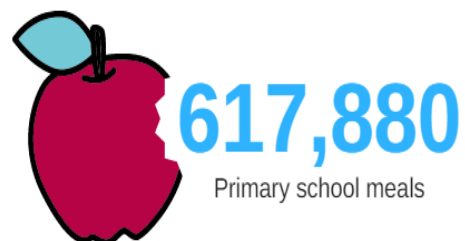
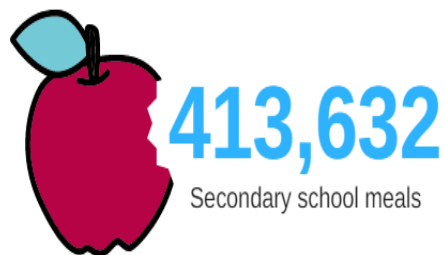
757,409

Facilities Management

The Council's Facilities Management Service delivers cleaning and janitorial services that keep over 100 public buildings open as well as catering and other services in schools and care homes. The impressive range of services provided across the county includes:

- School meals, cleaning and janitorial services in 35 Primary Schools; school meals in six Secondary Schools; and, cleaning and janitorial services in the new Construction and Technology Academy
- Catering, domestic, laundry and handyman services in three homes for older people – Eskgreen (30 bed unit); Crookston (60 beds); and The Abbey (30 beds)
- Caretaking services in a total of 19 Council buildings
- Cleaning services in 52 buildings including libraries, local offices and museums
- Toilet attendants responsible for servicing all 33 Council public toilets
- A special clean team delivering cleaning services, including house clearances, window cleaning and stair cleaning services for Void housing, homeless and social work housing
- A mailroom, security and printing services across all Council offices.

In the 2016/17 academic year (August 2016 to June 2017) the Council's catering teams served over 1 million school meals, including almost 1/2m free school meals in primary schools.



YOU SAID WE DID....

School Lunch Drinks Options

We asked

We asked parents for their views on a range of lunchtime drink options for primary school pupils

You said

The survey was shared extensively through Facebook and we received a total of 1,043 responses from parents. Some parents were worried about tooth decay if drinks other than milk or water were served, others were worried that if not enough choice offered children would not drink during the school day, overall: 97% said they would like plain water to be available; 94% said they would like milk to be available; and, 48% said naturally flavoured milk drinks and 58% said fruit juice mixed with water.

We did

We introduced a second water and milk only day onto the weekly menu. We also introduced a sugar free naturally flavoured milk drink for one day a week to offer some variety and also to encourage children who would not usually drink milk.

The Environment

The quality of the natural environment is one of East Lothian's greatest assets. 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 recognises that sustained progress must be made in relation to climate mitigation, in order to meet more ambitious emissions targets likely to be set at a future date. The Council has agreed a strategic framework to take forward the climate change agenda in East Lothian, comprising an overarching Sustainable Energy and Climate Action Plan, underpinned by a Climate Adaptation Strategy; Local Heat and Energy Efficiency Strategy and the Local Transport Strategy.

Alongside the challenges it faces in meeting climate changes and emissions targets the Council is facing two other key challenges in respect of the environment.

- Increasing recycling in order to reduce the use of landfill for waste – the Scottish Government have set two targets that will apply to all waste. By 2025 we have an ambitious target of 70% recycling rate to achieve, which added to a ban on biodegradable waste going to landfill in 2020 and an overall maximum allowance of 5% of waste to landfill will present major challenges for the Council and our communities.
- Improving air quality – whilst air quality targets are being met across the majority of East Lothian, high levels of Nitrogen Dioxide concentration have been recorded at various locations in Musselburgh High Street.

How we did in 2016/17

Recycling

The council's new waste collection service introduced in April 2015, offers every household 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 service made an important contribution to increasing East Lothian's recycling rate (the percentage of household waste that is recycled) by almost 10% from 42.7% in 2014/15 to 51.4% in 2015/16. In 2016/17 we have

built on this success and the household waste recycling rate has increased to 52.4%. Public and business use of the Council's recycling centres also continued to increase in 2016/17.

WE INCREASED THE AMOUNT OF
**Other Waste
Recycled by
23%**


**% of Other
Waste Recycled
97.7%**


457,702

Number of vehicles accessing
Recycling Centres

The success in introducing the new service and improving recycling rates was recognised in the Council's waste service being awarded the 2017 'Striving for Excellence in Waste and Recycling' award by the Association of Public Service Excellence (APSE).

The Council has signed up to the Scottish Household Waste Charter which provides support to ensure we reach 70% recycling. This will involve a revision to our current strategy and will seek to enhance kerbside recycling frequency and simplify the service, while maximising income from recycling material to help offset the additional collection costs. The objective is to design and gain approval of these changes for implementation in 2020.

Air Quality

An Air Quality Management Area (AQMA) was declared in Musselburgh High Street in November 2013, with the 2016 progress report and monitoring results from 2015 indicating that all air quality objectives were complied with. However, the 2017 report confirmed that during 2016 acceptable levels of Nitrogen Dioxide were exceeded at two locations in Musselburgh High Street.

The Council published the Musselburgh Air Quality Action Plan in February 2017 to outline the measures to be taken to ensure compliance with the objectives. The Plan outlines 13 measures to be implemented to improve air quality within the AQMA and throughout the county in general, with early progress in several areas including: extensive involvement of commercial fleet operators in the Eco Stars Fleet Recognition Scheme which aims to reducing fuel consumption and emissions; examination of

improvements in the Urban Traffic Control system in Musselburgh; and working through the East Central Scotland Vehicle Emissions Partnership to raise awareness of vehicle emissions and impacts upon air quality among the general public. In early 2017, the Partnership was the first in Scotland to use NASA technology to monitor vehicle emissions, undertaking a pilot scheme using state of the art remote Emissions Detecting and Reporting (EDAR) technology.

Regulatory Services

The Council provides several important 'regulatory services' which enforce legislation or provide approval or permissions required under the law including Environmental Health and Protection, Trading Standards, Planning and Building Standards. These services are mainly reactive, responding to the demand arising from growing business activity and pressure for new housing developments.

Environmental Health and Protection

The pressures on the Environmental Health Service increase year on year with changes in legislation, increasing population and demand on the service having to be managed on a priority/ risk basis. The service is continuously being reviewed in order to target priority areas of work, delivering aspects of the service differently, reducing or removing aspects of the service, whilst continuing to work as effectively as possible to protect public health.

A Service Review, concluded in February 2017 resulted in the amalgamation of the formerly distinct Food & Safety and Environmental Protection teams. This has enhanced the ability to provide greater capacity and resilience in all Environmental Health activities. A workforce time monitoring exercise was undertaken to establish where more efficient use of time can be achieved and thereafter reinvested into the higher risk activities of the Service.

The average time for inspections has reduced, whilst maintaining or increasing the amount of time within the food business, engaging with the operator and/or staff. In 2015-16, it was calculated that on average, high risk inspections were requiring 5.75 hours, with Category C inspections taking an average of 11 hours. This has been reduced to 4 hours for high risk inspections and 3.5 hours for Category C inspections.

A significant amount of time is expended by the service in dealing with the reactive nature of dealing with public health and environmental protection complaints. In 2016/17 a total of 1075 complaints, covering housing conditions, noise, pests and other nuisance were received. A new Complaints Handling System was devised, piloted and implemented in 2016 to ensure all complaints are suitably logged, responded to and closed, with the complainant kept informed of progress and outcomes. Together with ensuring efficiency of service, it was key to maximise interaction and liaison with the complainant in order to manage expectations of service and the protracted time periods that many complaints can require to full resolution, particularly where enforcement action is necessary.

Another major development of the service was the launch of the My East Lothian App in early 2017. The app allows members of the public to use their mobile phones to notify the Council of problems such as food safety concerns, fly tipping and noise nuisance. With an initial target of 300 users within 3 months, the app reached 350 registered users within 4 weeks.

Trading Standards

During 2016/17 the Trading Standards service became a Shared Service with Midlothian Council whereby a single Manager manages the services provided across both Councils.

In 2016/17 the Trading Standards service received over 400 official contacts from the public, businesses and other authorities. Resolution times were affected by staff shortages. However, 100% of all enquiries to the service were responded to on the same day and 78.5% of complaints received and advice to businesses requests, were resolved or completed within 14 days of receipt.



70%

Percentage of Trading Standards **consumer complaints** responded to within **14 days**



84%

Percentage of Trading Standards **business advice** requests responded to within **14 days**

A key priority for the service is to deal with complaints about rogue traders. The service liaises closely with local police and participated in Operation Monarda, the national joint annual exercise aimed at tackling rogue traders.. The Trusted Trader Scheme continued to show success, with over 50 businesses registered. Also, during 2016/17 tobacco control enforcement was increased and test purchasing undertaken for the first time in two years found that none of the seven premises visited sold cigarettes to the under 18 volunteer.

Planning

The main priority for the Council's Planning service in 2016/17 was completion of the proposed Local Development Plan (LDP). A vast amount of work was put into preparing all the documentation associated with the LDP, consulting with all interested community groups, developer interests and the general public before presenting the Council's response. The Proposed LDP and accompanying responses (Schedule 4) to representations were approved by Council and submitted to Scottish Ministers for examination in March 2017.

Alongside preparing the LDP the service has dealt with a growing number of planning applications. Over 1,000 planning applications determined. The approval rate was 96.7%, with 94% of decisions taken under delegated powers rather than by planning committee, reflecting a high rate of pre-application discussions and successful negotiation with developers over design and technical matters. The average timescale for major application determinations, 32.6 weeks compares well with the national average of 37 weeks. Significant approvals for housing to meet need and demand were made. The Housing Land Audit shows that 584 homes were completed by developers, the highest since 2008. 195 of these were affordable houses.

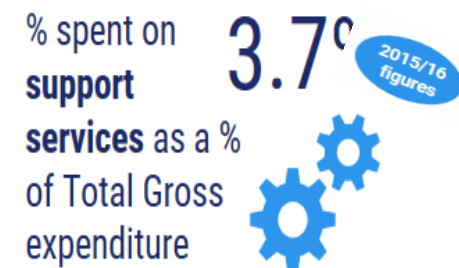
Planning fee income in 2016/17 was some £250,000 higher than budgeted, reflecting the increase in planning applications.

The increase in new developments in East Lothian reflected by the increase in planning applications has meant increased demand for the Building Warrants. The Council issued over 900 Building Warrants in 2016/17. In order to deal with the increased demand and to provide a more streamlined and efficient service the Council introduced e-Building Standards in conjunction with e-Planning, allowing clients to process Building Warrant / Planning applications fully on-line.

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

Given the diminishing resources and financial pressures faced by the Council along with the growing demand for services and additional burdens arising from legislation and Scottish Government policies, the Council needs to maintain its focus on delivering services as efficiently and effectively as possible and ensure it provides value for money. A key part of this process is ensuring that the Council has effective and challenging scrutiny and performance monitoring arrangements in place to provide the evidence to support the drive to continuous improvement.

The Council's 'backroom' or central support services are in the frontline of the drive to provide efficient and effective services. The support services include the Revenues, Benefits and Financial Assessments, Information Technology, Human Resource and Payroll, Legal and Procurement, Licensing, Administration and Democratic Services, Strategic Assets and Capital Programme Management, Communications, Policy and Performance and Customer Feedback services and teams. The Council makes every effort to keep the cost of its support services as low as possible. The latest benchmarking data available, the 2015/16 Local Government Benchmarking Framework, showed that East Lothian had one of the lowest levels of expenditure on support services amongst Scottish local authorities.



How we did in 2016/17

Council Tax and Business Rates collection – the Council collected 96.79% of Council Tax and Water and Sewerage due in 2016/17, which was a slight increase on the 96.64% achieved in the previous year. The Council collected 97.83% of Business Rates due in 2016/17 which was slightly less than the 2015/16 collection rate of 98.98%.



Council Tax in-year collection - increased from 96.6% in 2015/16 to

97.5%



Rent collection – East Lothian was the first area in Scotland to be moved by the Department of Work and Pensions to the Universal Credit Full Digital Service. As well as new claims for the six in-work benefits that have been rolled up into Universal Credit being in scope, certain changes in circumstances for those already in receipt of DWP benefit could also trigger a move to Universal Credit. As expected, there has been a rapid increase in claims, across all areas of East Lothian through 2016/17.

Over recent years the Council has made progress in improving rent recovery and reducing the level of rent arrears, through a combination of additional rents staff resources and reviewing procedures. Gross rent arrears as a percentage of rent due for the reporting year increased from 8.6% in 2015/16 to 9.4% in 2016/17. However, unfortunately these improvements were outstripped in 2016/17 by the increase in rent arrears arising from Universal Credit, and total rent arrears increased to £1,676,047.


Benefits – The Council’s Benefits and Financial Assessment Service has been at the forefront of dealing with, and mitigating the impact of the UK Government’s welfare reforms, including the introduction of Full Service Universal Credit. This has involved:

- Delivery of the Scottish Welfare Fund paying Community Care Grants and Crisis Grants
- Distribution of more than £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)
- Partnership working between the Council and Job Centre Plus/ DWP to support vulnerable people who are affected by the rollout of Universal Credit across East Lothian

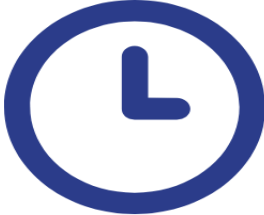
- Supporting the implementation of the Digital Inclusion Action Plan to improve access to digital services for people who may be otherwise excluded (e.g. provision of broadband and access to computers in community centres and libraries)
- Continued funding of the Haddington and Musselburgh Citizens Advice Bureaux through a new contract to provide welfare and money advice services.

The additional work involved in liaising with the DWP over the Housing costs related element of Universal Credit (formerly Housing Benefits) and the need for Universal Credit claimants to submit separate claims for Council Tax Credit has been a contributor towards increases in the time taken to process changes or new claims for Housing Benefit and Council Tax Credit, although the time taken to process changes in circumstances fell.

Time taken to process new claims for **housing benefit** and **council tax rebate**



32.5 Days



Time taken to process change of circumstances in Housing Benefits and Council Tax rebate - fell from 3.5 days in 2015/16

2.6 days

Information Technology – the Council’s IT service achieved the highest score recorded in the UK wide SOCITM Customer Satisfaction Benchmarking in 2016. Further SOCITM benchmarking among Scottish Local Authorities showed that East Lothian has the lowest spend on IT per head of population of any Scottish local authority. The programme to modernise the Council’s core IT Infrastructure continued with key projects, including replacement of the Windows XP and Windows Server 2003 operating systems and the wider deployment of technology to support of new ways of working that allow staff to work effectively whether in the office, remotely or from home took place. The Connected Learning Network (CLN) which allows staff and students to use their own devices in school was rolled out at a faster pace than anticipated to a further nine Primary Schools; which leaves only 14 to be completed in 2017/18.

Managing staff absence – after several years when staff absence fell the Council experienced a significant increase in staff absence in 2014/15. Reducing staff absence a key focus of the work of Human Resource advisers and managers in 2015/16 and

this contributed to a reduction in days lost per full time employee from 10.3 days absence per full-time equivalent (FTE) in 2014/15 down to 9.7% in 2015/16. This figure is still too high and the focused work continued through in 2016/17. The Council revised its Sickness Absence policy and the new policy was introduced in January 2017. However, despite this sustained activity, the absence level increased marginally from 9.7 days absence per FTE in 2015/16 to 9.8 in 2016/17. Every effort continues to be made to improve the Council's staff absence figures.

Strategic Assets and Capital Programme Management – a number of key drivers have informed the Council's asset management activity during 2016/17, including work to support the development of the proposed Local Development Plan. This involved carrying out a detailed assessment of the impact of the addition of over 10,000 houses on all categories of assets (mainly transport, education / community, open space and recreation) and identifying the level of developer contributions required to enable this development. The work has identified that significant investment of around £130M will be required over the period of the Plan to provide the new and expanded schools and community infrastructure required to support this level of development.

Agreement was reached with Police Scotland in early 2017 on a proposal to create a Collaborative Hub within John Muir House, providing space for community and operational Police currently based in Haddington Police Station and Council staff to work together.

As part of the Council's development of new ways of working to reduce office footprint and increase efficiency the Planning Strategy and Planning Development teams were co-located in one area, providing flexible workspace with informal and formal meeting areas within a reduced footprint. Dependent on funding allocation and its business case, this successful pilot will be rolled out to other areas as part of a wider review of our office estate with the aim of improving utilisation, improving service delivery and enabling collaborative working.

The Council's property portfolio of non-operational assets continued to perform well in 2016/17, generating income of over £2.3M in the year to July 2016, and an occupancy rate of c.92%, an increase of c.5% over the previous year.

Customer Feedback

Customer feedback in the form of complaints and compliments is one of the ways in which the Council monitors how it is performing in the eyes of the people that matter most – the users of Council services.

The Council complies with the model Complaints Handling Procedure (CHP) for local authorities introduced by the Scottish Public Services Ombudsman (SPSO).

- **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.

In 2016/17, the Council received 873 complaints, a decrease of almost over 7% from the 940 complaints received in the previous year. Just over 70% (619) of these complaints were dealt with at Stage 1 and the remainder (254) were taken to a Stage 2 investigation.

Of the Stage 1 complaints, 231 (37%) were not upheld, 200 (32%) were upheld, 166 (27%) were partially upheld and 22 (4%) moved to Stage 2; meaning they could not be resolved at frontline. Exactly half of the 254 Stage 2 complaints were not upheld, 90 (35%) were partially upheld and only 37 (15%) were upheld in full.

The service areas with the highest number of complaints over the year were: Property Maintenance; Community Housing; Waste Services; and, Transportation. Property Maintenance complaints ranged from missed appointments to waiting for parts. The main reasons for Community Housing complaints included waiting times for Council Housing, and appointment times and updates for repairs. Whilst Waste Services had a high volume of Stage 1 complaints the number is very small in relation to the 130,000 customer service visits per week. Most complaints related to bins not being uplifted or awaiting delivery of new bins longer than expected. There were no clear trends behind Transportation complaints.

During 2016/17 the Council received 228 compliments and 80 comments, which was a decrease compared with the 308 compliments and 105 comments received in 2015/16. The service areas that received the highest number of compliments were: Adult Wellbeing; Customer Services; Property Maintenance; and, Waste Services.

Self-Evaluation

Self-evaluation is a crucial part of the Council's continuous improvement process, ensuring that the Council as a whole and its services are self-aware of both strengths and weaknesses and can take action to ensure further improvement.

All council services undertake a self-evaluation using a How Good is Our Council framework based on the European Quality Foundation Model. The results of these self-evaluation exercises are reflected as improvement actions in service plans and the Council Improvement Plan.

In addition, the Council has adopted a Code of Corporate Good Governance based on the six principles of good governance and the self-evaluation model outlined in the CIPFA/ SOLACE *Guidance on Delivering Good Governance in Local Government*, and undertakes an annual self-evaluation against framework. The self-evaluation carried out in April 2017 concluded that the Council continues to have good governance and control arrangements in place across the six corporate good practice principles but identified several areas for further development and improvement to build on existing good practice and improvement action already being implemented. The improvement actions included:

- Adopt a 2017-2022 Council Plan
- Prepare and adopt a Workforce Plan, incorporating a Workforce Development Plan
- Develop a regulatory services charter covering all services that provide regulatory services to business
- Review elected members' development needs and provide an ongoing training and development programme
- Review the Council's key performance indicators and targets
- Further develop staff communications and engagement, building on positive programmes such as the One Council Workshops.

External Scrutiny

In 2016/17 the Council undertook two external assessments to support its drive towards excellence through continuous improvement.

The Investor in People assessment undertaken in March 2017 confirmed the Council as an 'Established Investor in People organisation'. This means that the Council has achieved the Silver level award (the previous assessment undertaken in 2015 gave the Council a Bronze award) demonstrating that good practice is not only developed but is established as a normal way of working in the Council.

The Council also submitted itself to a Quality Scotland assessment process which resulted in being awarded a Committed to Excellence award (April 2017). This is the second level of recognition offered by the European Foundation for Quality Management (EFQM). The award assesses how the Council evaluates its performance and makes improvements in a structured and continuous basis.

Both the IIP and Quality Scotland assessments provided recommended improvement actions, including:

- Reviewing and promoting the Council Values
- Developing a workforce plan and workforce development plan including issues such as succession planning, rewards and recognition, management development and leadership development
- Reviewing then Council's key performance indicators and targets
- Developing staff communications and engagement, building on positive programmes such as the One Council Workshops.

These improvement actions were reflected in the Corporate Governance Self-evaluation and Council Improvement Plan and are being implemented through 2017/18.

The Council also receives assessments and reports from its external auditors, Audit Scotland. The external auditors' audit of the Council's 2016/17 accounts provided a high level of re-assurance to the Council that its financial management, control mechanisms, governance and scrutiny arrangements are effective. The auditors provided the Council with unqualified audit opinions covering the financial statements, management commentary, remuneration report and the annual governance statement.

Elected Member Scrutiny

East Lothian Council has two committees that perform the ‘scrutiny’ function: the Audit and Governance Committee and the Policy and Performance Review Committee. A third scrutiny committee was added in 2015/16 – the Police, Fire and Rescue and Community Safety Scrutiny Committee which focusses on scrutinising the performance of the Police and Fire & Rescue services in East Lothian.

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 received around 20 internal audit reports that show the results of investigations conducted by the Council’s auditors. The Policy & Performance Review Committee received 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 2016/17.

Audit & Governance Committee	Policy & Performance Review Committee
Corporate Governance Self-evaluation Corporate Risk Register Six Service Risk Registers Annual Treasury Management Review Draft and Final Annual Accounts External Auditors’ Audit Report, Strategy Review and Plan Council Improvement Plan Monitoring Report	Quarterly Performance Indicator Reports Draft 2015/16 Annual Performance Report 2015/16 Local Government Benchmarking Framework Annual reports on Social Work Complaints, Customer Complaints, and, Public Protection Update reports on East Lothian Works fly tipping, delayed discharges, Transformation Programme, Universal Credit, and Coastal Car Parking Charges A legacy report

Council Finances

The following table provides a summary of the Council's 2016/17 budget showing both where the Council's money comes from and where it goes (source 2016/17 Statement of Accounts)

Where the money comes from

	£m
Council Tax	43,937
Non domestic rates	24,370
Non ring-fenced government grants	144,370
Capital grants and contributions	15,721
Total	228,403

Where the money goes:

Net expenditure by service:	2015/16 £,000s	2016/17 £,000s
Resource & People Directorate	107,335	107,463
Health & Social Care Partnership	69,283	59,276
Partnership & Communities Directorate	58,716	55,860
Corporate & Central Services	743	1,064
Housing Revenue Account	(133)	9,533
Total cost of services	£235,944	£233,196
(Gains) / Losses on the disposal of non-current assets	(£547)	(£3,460)
Financing and investment income and expenditure (e.g. interest payable)	21,562	20,012
Taxation and non-specific grant income	(236,907)	(228,403)
(Surplus)/ Deficit on the provision of services	£20,052	£21,345

Financial Performance for 2016/17

Despite the continuing challenging operating environment, the Council delivered better than anticipated financial results for 2016/17. Stringent and thorough monitoring and management of expenditure by budget holders and increased income in areas such as Planning application meant that the Council delivered an operational underspend against approved budget of £1,017 million in General Services and £1,985 million in the Housing Revenue Account. However, this still meant that the Council had to use a total of £4,873 million (£2.640 million for General Services and £2.233 million for the Housing Revenue Account) to balance the books; although this was £3 million lower than anticipated

The council operates three Trading Operations (Roads, Property Maintenance and Facility Services) which all delivered an in-year surplus in 2016/17 and met their statutory requirement to deliver a break even position over a rolling three year period.

In accordance with the financial strategy, continued tight control over capital spending allowed the council to restrict the burden of debt charges whilst maintaining a significant level of investment in infrastructure and new development totalling £41.292 million (£18,149 million relating to General Services and £23,343 million in the Housing Revenue Account). Several capital projects were underspent in this year but the capital allocation has been rolled over into the following year.

Financial Outlook and Strategy

The Council's financial strategy forms the basis of the Council's stewardship over the taxpayer's funds. It covers a 3-year period and is updated and approved each year by the Council, with the most recent strategy covering the period 2017/18 to 2019/20 approved by Council on 21st February 2017. The strategy aims to reduce any future reliance on reserves, and takes into consideration forecasts around the financial environment which the Council is likely to be operating within over the medium to longer term. The approved financial strategy focuses on:

- Delivering an enhanced Change Programme that will achieve significant efficiency savings across all areas and inputs such as staffing and supplies
- Constraining cost growth through a preventative approach and effective management
- Generating additional income and ensuring that, where the Council has decided to charge, there is full cost recovery

- Progressing partnership working where there are proven efficiency or service gains
- Continuing to manage the General Services Loans Fund balance ensuring affordability across the three years of the strategy, and sustainability in the longer term.

Despite the positive results for 2016/17, 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 for some years. 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, given its programme of priorities with investment in Health Services and other public services means that enhanced investment in Local Government services remains unlikely
- Meeting our obligations from new legislation and statutory arrangements
- Uncertainty relating to the potential impacts of the UK's departure from the EU
- Responding to the challenges arising from UK benefit reforms, in particular the introduction of full service Universal Credit
- Increasing population and other demographic changes e.g. increased numbers of young and old, early years care/ school rolls/ elderly care
- Pay awards above the previously anticipated 1% cap
- General price/ inflationary pressures.

In order to prepare robust financial plans for the medium to longer term (five-years) the Council has modelled scenarios based on the current approved three-year budget taking into account key variables (Revenue Support Grant - the c.70% of Council income received from the Scottish Government - Pay and non-pay inflation on three levels of optimism. The three scenarios for the next five years (2018 – 2023) suggest that the level of additional savings on top of the existing planned efficiencies (almost £7m could range from £12.4m to £39m.

All of the scenarios indicate a clear requirement that the Council will need to make large cost savings unless there is a significant improvement in the level of funding provided to Local Government through the next financial settlement and beyond.

The 2017-2022 Council Plan

The Council adopted a new Council Plan for 2017-2022 in June 2017, immediately following the May 2017 Council elections. The new Plan continues the journey towards realising the East Lothian vision by building on the ambition and achievements of the previous Council Plan, taking account of the challenges and new opportunities faced by the Council. It also takes on board the commitments made by the Council Administration and many of the commitments made by the opposition parties in their 2017 election manifestos.

The Plan outlines the strategy the Council will follow and details the objectives and strategic goals it has set itself over the next five years to strive to meet the vision of an even more prosperous, safe and sustainable East Lothian with dynamic and thriving economy that will allow our people and communities to flourish.

The themes set out in the 2012-2017 Council Plan remain relevant and will continue to be the themes and objectives of Council Plan 2017-2022:

- Growing our Economy
- Growing our People
- Growing our Communities
- Growing our Capacity

The overarching objective is to *'reduce inequalities within and across our communities'*.

The Plan sets out strategic goals which will make the biggest impact in delivering these key themes and objectives.

- Reduce unemployment and improve the employability of East Lothian's workforce.
- Reduce the attainment gap and raise the attainment and achievement of our children and young people.
- Improve the life chances of the most vulnerable people in our society.

- Extend community engagement and decision making and increase community and individual resilience.
- Deliver transformational change and harness the opportunities technology offers in the provision of services.

Despite difficult financial circumstances faced by the Council, all the commitments made in the 2012-2017 Plan have either been achieved or are at advanced stages of being achieved. More still needs to be done in order to continue the drive towards achieving our vision. The Plan reflects the need to target resources to reduce the impact of poverty and deprivation; to invest in, or re-direct resources to, new priorities through a preventative model of service delivery; investing in prevention and early intervention to avoid more costly crisis intervention. Crucially, the Council will prioritise measures that contribute to inclusive and sustainable growth that reduces inequality and helps to break the cycle of poverty.

The Council Plan, which is both ambitious and aspirational is set within the context of the continuing financial, demographic and policy challenges faced by the Council and the county. It aims to maximise the benefits from the opportunities presented by the positive platform created by previous Council Plans and more recent developments such as the City Region Deal.

It is based on the understanding that East Lothian Council cannot address the diverse needs of our population on its own. Therefore it is aligned to the new East Lothian Plan that was adopted by the East Lothian Partnership in September 2017. At the heart of the Plan is the concept that the Council and the people and communities of East Lothian can best deliver these solutions in partnership – ‘working together for a better East Lothian’. Therefore, over the next five year, the lifetime of this Plan, the Council will increasingly become:

- an enabling and empowering authority that works with its citizens and communities, the business and third sectors and other public sector partners to deliver the solutions that work best for East Lothian.
- a more entrepreneurial authority, developing new ways of ensuring services are provided in the most effective and efficient way possible;
- a ‘digital’ authority, fully embracing and exploiting opportunities to use technology to deliver services.

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

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

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