



## **MINUTES OF THE MEETING OF THE CABINET**

**TUESDAY 14 NOVEMBER 2017  
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

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### **Committee Members Present:**

Councillor S Akhtar  
Councillor J Goodfellow  
Councillor N Hampshire (Convener)  
Councillor J McMillan  
Councillor F O'Donnell

### **Other Councillors Present:**

Councillor L Bruce  
Councillor S Currie  
Councillor A Forrest-  
Councillor J Henderson  
Councillor K McLeod  
Councillor B Small

### **Council Officials Present:**

Mrs A Leitch, Chief Executive  
Ms M Patterson, Depute Chief Executive – Partnerships and Community Services  
Mr A McCrorie, Depute Chief Executive – Resources and People Services  
Mr D Small, Director, Health and Social Care Partnership  
Mr J Lamond, Head of Council Resources  
Mr T Shearer, Head of Communities and Partnerships  
Mr R Montgomery, Head of Infrastructure  
Mr D Proudfoot, Head of Development  
Mr C Grilli, Service Manager – Legal and Procurement  
Mr J Coutts, Service Development and Support Manager  
Ms S Fortune, Service Manager – Business Finance  
Ms L Shaw, Corporate Finance Manager  
Mr I Patterson, Homelessness Manager  
Mr P Ritchie, HR Business Partner  
Ms S Morris, Procurement Team Leader (Item 6)  
Mr S Cooper, Team Manager – Communications  
Mr M Derwan, Student Placement (Communications Team)

### **Clerk:**

Ms A Smith

### **Apologies:**

Councillor W Innes

**Declarations of Interest:**

None

**1. MINUTES FOR APPROVAL – CABINET 12 SEPTEMBER 2017**

The minutes of the meeting of the Cabinet of 12 September 2017 were approved.

**2. FINANCIAL REVIEW 2017/18 QUARTER 2**

A report was submitted by the Depute Chief Executive (Resources and People Services) recording the financial position at the end of the second quarter of the financial year 2017/18.

The Head of Council Resources, Jim Lamond, provided an overview of the Quarter 2 position. In respect of General Services Revenue, he drew attention to the key component elements summarised by key service clusters. He then reported on the Housing Revenue Account and General Services Capital Budgets. The report highlighted mixed financial performance across Council Services with a number of compensating balances masking the non-delivery of planned efficiencies within Adult Wellbeing and significant expenditure pressures on Children's Wellbeing. The overall position was very finely balanced and consequently, one that remained extremely challenging. Taken within the context of his recent Financial Prospects report to Council, there were considerable financial and operational challenges associated with significant reductions in public sector spending that would continue through until at least 2021.

Councillor Small, referring to Children's Wellbeing and Adult Wellbeing, asked what specific steps were being taken; he also queried efficiencies and how these were being managed. David Small, Director of the Health and Social Care Partnership, advised, in relation to Children's Wellbeing, that there were external placements for the most vulnerable children, driven by external bodies, for example the Children's Reporter. There were some staffing underspends. In relation to Adult Wellbeing the position was more complicated. He referred to external care home placements and income collection, cost pressures, changes to night time support and complex care packages. He reported that existing efficiency programmes were being revisited to see if any acceleration was possible. With regard to being able to improve by the end of the financial year he remarked that for Adult Wellbeing he was reasonably confident, for Children's Wellbeing less so because of the external factors.

Councillor Currie queried the second report recommendation remarking that this was surely an operational matter. Mr Lamond stated that he was reporting on a factual position, there was a situation where some people were operating outwith these levels so he was looking for support from Cabinet for direction to these budget holders. Responding to questions about Adult Wellbeing, Mr Lamond reminded Members of his comments last year regarding an additional £1million from reserves; the 2016/17 performance was largely to compensate for non-delivery of an efficiency programme. Regarding the rate of planned savings, he advised that there had still been a belief then that these savings could be made in time. The single key factor now was the continued legacy of that lag at delivery of non-efficiencies. Mr Lamond, responding to Councillor Currie's query about lack of ability to go to reserves in this financial year, stated that it was particularly challenging; examination of achievement of efficiency savings was now an ongoing matter. Mr Small and his management team had been issued with a cost recovery plan requesting other control measures; this was a work in progress. Councillor Currie then raised questions concerning General Services Capital Budgets. Mr Lamond replied that efforts were aligned to try to deliver the capital projects. Regarding queries about the number of capital projects being re-profiled he stressed that many variables underpinned these capital projects.

In response to questions from Councillor O'Donnell, Mr Small, referring to the recent successful recruitment campaign for foster carers, stated that nine extra carers had now been recruited. In relation to Adult Wellbeing and the collection of fees from external care providers, he indicated there were technical issues around getting the information and also with financial systems. Regarding the improvements to delayed discharge figures, he clarified that there was some link with residential care placement costs.

Responding to Councillor McLeod's questions, Mr Lamond advised that Knox Academy and Preston Lodge High were the two secondary schools showing indications of pressure. Regarding delays to Wallyford Primary and the Ross High extension capital projects, Mr Lamond stated these were only categorised as such, because they had been brought in early to the Capital Plan.

Councillor Small stated it was clear that anything in relation to transfers and efficiencies was very difficult. It was also clear that both Adult Wellbeing and Children's Wellbeing were extremely hard environments, which needed close observation; real action was required.

Councillor Currie expressed concerns specifically in relation to Adult and Children's services. He referred to projects within the Capital Plan and the impact if there was a slippage in this programme. The Council faced huge challenges and needed to manage expectations.

Councillor McMillan remarked that the culture of the organisation was changing; the challenge was to transform delivery of services and attitudes.

Councillor Akhtar expressed disappointment at the level of funding from central government. She stated that controls were operating effectively and the external auditors had validated the Council's financial position. She highlighted the high profile campaign for foster carers.

Councillor O'Donnell referred to the population growth in East Lothian specifically in relation to the increased demands on Adult Wellbeing and Children's Wellbeing services. She also made comments regarding funding from the Scottish Government.

Councillor Goodfellow, referring to the affordable housing programme, welcomed delivery of the sites at Pinkie Phase 3 and Russell Walk, North Berwick.

The Convener stated that a high quality service continued to be provided to East Lothian residents. There were real pressures on both Adult Wellbeing and Children's Wellbeing service areas. He, along with his colleagues, expressed thanks to officers acknowledging that staff were working under very difficult circumstances.

## **Decision**

The Cabinet agreed to note the financial performance of services at the end of September 2017.

### **3. HOMELESSNESS UPDATE AND ACTION PLAN**

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) updating Cabinet on the performance of the Council in delivering its objectives in relation to the prevention of homelessness and its statutory obligations in relation to homeless applicants. The report also sought approval of the action required to ensure that the Council continued to meet its legal obligations towards homeless clients and within that to mitigate against the possible impact of the recent amendment to the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 on the Council's housing allocations.

The Head of Development, Douglas Proudfoot, presented the report. He highlighted some of the background successes in Homelessness Prevention and Response services but stated that despite these achievements the Council faced further significant challenges, particularly in respect of increasing homelessness presentations. He drew attention to the change in the Unsuitable Accommodation Order (UAO). The Action Plan to address the challenges was attached in full and structured around six main themes. Referring to the resource implications he underlined that the Homelessness Service was funded from general services and whilst under significant pressure was also being further challenged by the impacts of Universal Credit. He also drew attention to Scottish Government funding and development of plans by officers to maximise best use of this.

In response to questions from Councillor Currie, Mr Proudfoot stated that the change in the UAO from 14 to 7 days was an increasing pressure, so the risk of breaching the AUO was also increased. He stressed that in respect of any statutory order the Council would do all it could to adhere to targets. Ian Patterson, Homelessness Manager, advised that there was concern regarding the change to the UAO, there were no powers in the UAO to take account of the dynamic of a homeless situation. There were considerable pressures; the Council had to position itself to significantly reduce the use of bed and breakfast accommodation and react positively to emergencies.

Responding to Councillor McLeod, Mr Patterson clarified that there were not more people presenting as homelessness from outwith the county, the percentage figures remained as before with 85% presenting from an East Lothian postcode.

Councillor Small queried quantification of financial risk. Mr Patterson advised that further validity of the numbers was required. He reported that 10-15% of cases left bed and breakfast without making a claim. Councillor Small remarked that it would be useful to get a further report providing some financial clarity; Mr Patterson confirmed this would be done.

Councillor Goodfellow stated that officers faced significant challenges and he welcomed the various actions taken to improve the service provided to homelessness clients. The provision of temporary accommodation had been increased but despite this, there were still huge challenges and the number of applications continued to rise. He also referred to the impact of Universal Credit. The Homelessness Action Plan had a number of themes, which would go some way to addressing this situation.

Councillor Currie understood the pressure staff were working under and asked Mr Patterson to convey Members' thanks for their professional and consistent approach. Reducing the time a family could spend in bed and breakfast from 14 to 7 days would bring additional pressures. There were undoubtedly significant challenges; this was a long-term project.

Councillor O'Donnell proposed an amendment – pages 32 and 43, theme 4: *The proportion of allocations to Homeless applicants will be reviewed to ensure targets appropriately reflect demand while ensuring balanced communities* – amend wording to *The proportion of allocations will be reviewed to ensure targets recognise a wide range of demands including homelessness, while ensuring balanced communities*. Councillor Akhtar seconded this amendment.

The Convener agreed with the amendment and asked Cabinet Members if they agreed the report recommendation, with the amendment as outlined; Members agreed unanimously.

## **Decision**

The Cabinet agreed:

- i. to contents of the report; and

- ii. to approve the Homelessness Action Plan and its associated actions, as amended.

#### **4. HOUSING ALLOCATIONS POLICY REVIEW – INTERIM AMENDMENTS**

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) updating Cabinet on Housing Allocation Policy review arrangements and seeking approval for an interim action required to mitigate against the impact of the recent further amendment to the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2004 (amended 2014) on the Council's housing allocations. The report also sought approval for a further small change in respect of low priority medical cases (Category C).

Mr Proudfoot presented the report. The first interim amendment concerned changing the wording of the allocations policy to respond to the changes to the UAO and to address temporary accommodation pressure points. The new wording was more definite and reduced the timescale of review; it also extended the requirement to widen areas of choice and property types. The second interim amendment related to suitable ground floor properties no longer being ring fenced for Category C medicals. The importance of a full review could not be overstated however, these interim amendments were crucially important to allow officers to mitigate homelessness pressures.

Responding to questions from Councillor Currie, James Coutts, Community Housing Service Development and Support Manager, clarified that people in Categories A or B would still have priority for suitable ground floor accommodation; the proposal was only to remove those in Category C.

Councillor Small asked how the success of this policy was measured. Mr Proudfoot, referring to the connection with the previous report, stated that officers were looking to see a flow forward from temporary accommodation into offers of permanent housing, to displace the bottleneck, which would have a real impact on homelessness applications. This was about long term planning, this was an opportunity but success was hard to measure. He added that a report would be coming forward to the PPRC.

Councillor Goodfellow referred to the current Allocations Policy and the need for a review, which had been held up due to final guidance of the Housing (Scotland) Act 2014 being published by the Scottish Government, this was expected in February 2018.

Councillor O'Donnell proposed an amendment – page 47, paragraph 3.9, under the new wording heading, changing *3 months* to *6 months* and adding after *...areas of choice, to include the main town*. Councillor Akhtar seconded this amendment.

Councillor Currie supported what had been put forward, stating that his only concern was that if someone's search area was too limited and the prospect of a house in that area improbable then surely reviewing that application as early as possible would be beneficial.

Councillor Akhtar proposed an amendment – the removal of recommendation 2.1.3 regarding Category C medicals; this aspect should be looked at as part of the full review not at this interim stage. Councillor O'Donnell seconded this amendment.

The Convener agreed with the proposals put forward by Councillors O'Donnell and Akhtar. He asked Members of Cabinet if they agreed the report recommendations, with the amendments; Members agreed unanimously.

#### **Decision**

The Cabinet agreed:

- i. to note the arrangements for a full review of the Council's Allocations Policy and that a further report detailing the timescales and scope of the review, along with proposed allocations targets for 2018/19, would be reported to Cabinet for approval in January 2018; and
- ii. to approve the revised wording, as amended, to be contained within the Council's Housing Allocations Policy in relation to detailed elements affecting all applicants accepted for rehousing under current homelessness legislation. Specifically that a mandatory review would take place of both the applicant's property types and areas of choice after a reasonable period of time – with the aim of achieving an offer of settled housing for the applicant and in turn allowing the Council to fulfil its statutory obligations (para 3.9).

## **5. ANNUAL PENSIONS REPORT 2016/17**

A report was submitted by the Depute Chief Executive (Resources and People Services) summarising the early retirement activity within the financial year 2016/17 in accordance with External Audit requirements and Council Policy.

Mr Lamond presented the report, drawing attention to the various types of pensionable retirements and the actual activity experienced during the 2016/17 financial year. He provided some additional detail on pension related historical liabilities that fell due in that year and could be expected in future years.

Councillor Currie, referring to the compulsory severance category, asked if there was a different way of recording this to avoid identifying service areas. Mr Lamond advised that officers were mindful of data protection issues but felt the right approach was being taken.

Responding to questions from Councillor Small, Mr Lamond indicated that the stability mechanism had been in place for at least 3 years. It had been successful but had a relatively short life span left; an update was expected in the next few weeks. He anticipated that the stability mechanism would continue in respect of the new budget.

### **Decision**

The Cabinet agreed to note the content of the report with regard to the pension activity in the financial year 2016/17.

## **6. PROCUREMENT STRATEGY**

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval for the Procurement Strategy.

The Legal and Procurement Service Manager, Carlo Grilli, presented the report. He outlined the background, referring to legislative changes and requirements for contracting authorities. In complying with the legislation, the current Procurement Strategy had been reviewed and the need for a fresh strategy identified. The new draft Procurement Strategy was attached; this would replace the current Procurement Strategy and set out the high-level approach the Council now took towards procurement.

Councillor O'Donnell asked if any analysis had been done as to why some other local authorities performed better; she asked if there was a connection with the £250,000 threshold. Mr Grilli stated there was no direct analysis in relation to the Council's performance figure. Regarding queries about the Quick Quote process, he indicated that at

least four suppliers were approached; this may not always include local firms as it may depend on what was being promoted at the time.

Councillor Currie, referring to the appointment of non-local sub-contractors, asked what the options were to try to address this. Mr Grilli stated that a jointly funded Procurement Officer post had been created with the Economic Development service; this post holder would liaise with the local community. Councillor Currie asked if the Quick Quote up to £250,000 still had to satisfy best value; Mr Grilli confirmed that all contracts were assessed on best value. Responding to questions about awarding social care contracts, Mr Grilli referred to new procurement directives, which would allow the process for these contracts for a larger threshold. Mr Proudfoot added, from an economic development perspective, that the joint post had an important community role however contractors could not be compelled to sub-contract to local companies. A number of supplier events were taking place and the post holder was looking at ways to provide other support.

Councillor Akhtar asked about maximising the spend on local businesses. Mr Grilli indicated this formed part of the role of the new jointly funded post in liaising with the local community. He added that the Contracts Register allowed suppliers to see what tenders were forthcoming.

Angela Leitch, Chief Executive, informed Members that the Council was working with Scotland Excel, an overarching centre of excellence body, who were providing support regarding the review of the Procurement Strategy. She stressed that where there were innovative ways of working these would be taken on board.

Councillor Currie stated this was a very important report and he welcomed the efforts to try to engage local firms. He suggested it would be helpful to be able to track the number of contracts awarded to local firms on an annual or six monthly basis.

Councillor McMillan remarked that he had a couple of changes he would like incorporated – page 64, first bullet point: change *following* to *during* and add *and full consideration is given to local economic and environmental issues* at the end of that bullet point and third bullet point: change *improve* to *maximise*. The Convener stated that the Head of Council Resources could accommodate these changes as the report recommendation gave him delegated authority to make presentational modifications. Mr Lamond indicated these would be taken on board but stressed this would be in accordance with legislative constraints.

## Decision

The Cabinet agreed:

- i. to approve the draft Procurement Strategy 2017-2022;
- ii. to delegate authority to the Head of Council Resources to make further presentational modifications to the draft Procurement Strategy prior to finalisation and formal publication; and
- iii. to delegate authority to Head of Council Resources to update the strategy as may be required following its regular annual review within the period of 2017 to 2022 and to report such changes through the Members Library.

Signed .....

Councillor Norman Hampshire  
Depute Council Leader and Convener of the Cabinet