



MINUTES OF THE MEETING OF THE CABINET

**TUESDAY 16 JANUARY 2018
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

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 F Dugdale
Councillor J Findlay
Councillor A Forrest
Councillor N Gilbert
Councillor J Henderson
Councillor K Mackie
Councillor C McGinn
Councillor K McLeod
Councillor B Small
Councillor J Williamson

Council Officials Present:

Mrs A Leitch, Chief Executive
Ms M Patterson, Depute Chief Executive – Partnerships and Community Services
Mr A McCrorie, Depute Chief Executive – Resources and People Services
Mr 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
Ms S Saunders, Head of Children's and Adult Services
Ms F Robertson, Head of Education
Ms S Fortune, Service Manager – Business Finance
Ms L Shaw, Corporate Finance Manager
Mr C Grilli, Service Manager – Legal and Procurement
Mr P Vestri, Service Manager – Corporate Policy and Improvement
Mr J Coutts, Service Manager – Community Housing and Homelessness
Ms E Wilson, Service Manager – Economic Development and Strategic Investment
Mr I Patterson, Homelessness Manager
Mr S Cooper, Team Manager – Communications
Mr D Northcott, Team Manager – Structures/Flooding and Street Lighting

Ms Z McFadzean, HR Business Partner
Ms N Sandford, Senior Strategy Officer

Clerk:

Ms A Smith

Apologies:

Councillor W Innes

Declarations of Interest:

None

1. MINUTES FOR APPROVAL – CABINET 14 NOVEMBER 2017

The minutes of the meeting of the Cabinet of 14 November 2017 were approved.

2. SUMMARY OF CONTRACTS AWARDED BY EAST LoTHIAN COUNCIL, 1 SEPTEMBER 2017 – 7 JANUARY 2018

A report was submitted by the Depute Chief Executive (Resources and People Services) advising Members of all contracts awarded by the Council from 1 September 2017 to 7 January 2018, with a value of over £150,000.

Responding to a question from Councillor Small, Jim Lamond, Head of Council Resources, advised that the Council portion of the contract value featured in the draft Capital Plan budget (referred to in Item 8, Appendix 4).

Decision

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

3. REVIEW OF HOUSING ALLOCATIONS POLICY

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking approval for a review of the existing Housing Allocations Policy.

The Service Manager for Community Housing and Homelessness, James Coutts, presented the report. He outlined the context, drivers, scope and approximate timescale for the review. He referred to Cabinet's approval last November of the Homelessness Action Plan. He drew attention to the key elements within the report. He referred to the cross-party Programme Board, outlining the proposed membership: Housing Cabinet Spokesperson, Health and Social Care Cabinet Spokesperson and one Member from each of the Conservative and SNP Groups. He stated that the new draft policy would be subject to full tenant, housing applicant and stakeholder consultation prior to approval and implementation.

Responding to questions from Councillor Small, Mr Coutts advised that operationally the service always tried to address potential breaches of the Unsuitable Accommodation Order; the Council was also in constant dialogue with the Scottish Housing Regulator in respect of homelessness performance. Douglas Proudfoot, Head of Development, stated it was the intention to bring this budget area within performance. Regarding breaches, he assured Members that any periodic breach was addressed as a matter of urgency. Ian Patterson, Homelessness Manager, added that there had only been one breach in the recent past.

Councillor Currie asked if Members could be kept informed of the number of breaches; Mr Coutts confirmed this would be done. Councillor Currie asked if properties were still being removed from the housing stock to satisfy the need for temporary accommodation. Mr Coutts indicated this was being done on an ad-hoc basis but a Temporary Accommodation Strategy was being developed which would assist in this regard more formally. Mr Coutts also responded to further questions, clarifying issues regarding allocations and transfers. Councillor Currie sought assurance that the final policy would come forward to Council rather than Cabinet. Angela Leitch, Chief Executive, indicated that in accordance with Standing Orders the final policy would be brought forward to Cabinet.

In response to a question from Councillor Henderson regarding the scope of the policy, Mr Coutts advised that key staffing groups had been identified for the Policy Review Team and other staff groups would be co-opted onto the team as and when required.

Mr Coutts responded to questions from Councillor O'Donnell regarding aspects of medical priority and review, advising that a sub-group would be created to review this.

Councillor Goodfellow stated that Scottish Government guidelines were still awaited and not expected until the spring but stressed that this review could not wait any longer. The housing landscape had changed considerably since the last review in 2007. He was pleased that all political groups would be involved and that there would be full tenant and other stakeholder consultation.

Councillor McMillan welcomed the report; housing lists and allocations were a constant topic at Members' surgeries.

Councillor Currie welcomed the cross-party representation on the Programme Board.

Decision

The Cabinet agreed:

- i. to approve the review of the existing Housing Allocations policy; and
- ii. to note the context, drivers, scope and approximate timescale for the review.

4. COUNCIL HOUSE ALLOCATION TARGETS FOR 2018/19

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking approval for Council House Allocation Targets for the period 1 April 2018 to 31 March 2019.

Mr Coutts presented the report, drawing attention to the table at section 3.22 of the report, which set out the proposed targets for 2018/19. The targets would be revisited after 6 months. He stated there were 3,600 applicants on the housing list. Homeless applicants came under the General Needs Group. He reiterated the significant pressures on demand for temporary accommodation and increased waiting times for homeless households. He referenced the importance of creating vacancy chains through a proportionate transfer target but that there should not be an imbalance between the transfer target and the proportion of transfer applicants on the housing list. He referred to good practice in creating sustainable communities, adding that each local housing team would consider potential local lettings plans (LLPs) to help achieve balanced and sustainable communities.

Councillor Currie, referring to LLPs, asked why it was not possible to consider these in relation to new council housing coming forward. Mr Coutts stated that new build lettings

plans could set a higher transfer target to create balanced communities and give existing tenants opportunities for a new council house; this was done separately from LLP arrangements and based on detailed demand analysis.

In response to Councillor O'Donnell's question, Mr Coutts advised that about one third of the transfer list related to under occupancy.

Responding to Councillor Small, Mr Coutts clarified that in respect of Registered Social Landlords (RSLs) dialogue did take place with housing associations. He indicated that approximately 50% of housing association stock was allocated to homeless applicants.

Councillor Goodfellow drew attention to the table at section 3.21 of the report, highlighting that 46% of housing went to tenants on the homeless list. He stated that the Council's new build developments would have new build lettings plans to help achieve sustainable communities. This paper setting out the recommended targets was urgently needed.

Councillor Currie remarked that it would be useful to know the situation as regards numbers of allocations and numbers relating to vacancy chains.

Councillor Ahktar referred to the legislative obligations under the Children and Young People (Scotland) Act 2014. She welcomed the Council "Starter Flat" approach, which had already helped the Council deliver its corporate parenting objectives

Decision

The Cabinet agreed:

- i. to approve the recommended targets detailed in Section 3.22 of the report;
- ii. to note that performance against these targets was reviewed on a weekly basis and that such review formed part of the analysis in setting future targets in 2018/19 and beyond; and
- iii. to note that ongoing regular monitoring of performance had been embedded within the Community Housing Performance Management Framework.

5. CONSULTATIVE DRAFT LOCAL HOUSING STRATEGY 2018-2023

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) outlining the key elements of the Consultative Draft Local Housing Strategy 2018-2023 (LHS) and seeking approval of the consultation exercise.

The Service Manager for Economic Development and Strategic Investment, Esther Wilson, presented the report. She informed Members that the LHS was the sole strategic document for housing in East Lothian. She drew attention to some of the key roles of the LHS. She referred to the key housing issues and challenges as set out in the report. She highlighted the Council's strategic vision for housing and the six priority outcomes that underpinned this vision. An Action Plan was attached as an appendix. She gave details of the consultation process and indicated that a Members' briefing would be arranged.

Councillor Currie requested a breakdown of the 189 units of affordable housing per annum to be delivered as per the Housing Supply Target. Ms Wilson confirmed this information would be provided to all Members post meeting. Referring to older people and the development of specialist accommodation as detailed in the report, Councillor Currie asked who would be taking this forward. Ms Wilson advised that the Council was working with the

Health and Social Care Partnership regarding how to take this forward. It would be public sector led initially, but the draft LHS allowed for private sector involvement; this was being looked at. Further details would be issued to Members.

Councillor O'Donnell, referring to allocations for people with a learning disability, which she understood could not happen until a care package was in place, queried if this would continue to be the case. Mr Coutts advised that it was not necessarily a pre-condition for a standard tenancy but was a requirement for a short-term tenancy.

Councillor Goodfellow commended the report. He stated it was always the Administration's aim to deliver social rented housing first and alternative tenancies where possible through Government grant. This LHS would produce more social housing than the 70% target set by the Scottish Government. East Lothian's population was both increasing and changing, needs were changing; there was a requirement to ensure a wide range of specialist housing to enable people to live independently for longer where appropriate. This LHS would deal with key housing issues.

Councillor Currie thanked Ms Wilson for her work for the Council, praising her professionalism. He commented on the very complex and completely different market housing had become over the years. He looked forward to the LHS coming forward, adding that it needed to have deliverable actions.

Councillor McMillan welcomed the paper, which linked into many other elements of Council services, including sustainable issues.

The Convener stated that the LHS was a hugely complex process that the Council was required to deliver. He paid tribute to Ms Wilson for her invaluable service to the Council and wished her every success for the future.

Decision

The Cabinet agreed to approve the consultation of the Draft Local Housing Strategy 2018-2023.

6. AMENDMENTS TO DISCIPLINARY PROCEDURES (TEACHING AND ASSOCIATED SNCT POSTS)

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval for proposed amendments to the Disciplinary Procedure covering all teaching staff and other posts whose terms and conditions were regulated by the Scottish Negotiating Committee for Teachers (SNCT).

Mr Lamond presented the report, stating that the existing procedures had been in place since 2011 and a cyclical review had now been undertaken. The main areas of proposed change related to the role of witnesses and investigating officers but the opportunity had also been taken to provide a general refresh of post titles and better alignment with updated Standing Orders. The revised policy was attached as an appendix and included tracker to illustrate where changes had been made. The amendments had been agreed with all the teaching unions through the Local Negotiating Committee for Teachers.

Mr Lamond, responding to an update request from Councillor Akhtar regarding the Disciplinary Procedures covering all other employee groups, advised that discussions with the Joint Trades Union Side Secretary continued and he was hopeful that an agreement could be reached.

Councillor Akhtar expressed support for the proposed changes as outlined in the appendix.

Decision

The Cabinet agreed to approve the proposed changes to the Disciplinary Procedure covering Teachers and associated SNCT posts.

7. THE EAST LoTHIAN CORPORATE PARENTING PLAN 2017-2020

A report was submitted by the Chief Executive seeking endorsement of the East Lothian Corporate Parenting Plan 2017-2020.

The Head of Children's and Adult Services, Sharon Saunders, presented the report. She outlined the Council's long history of pro-active corporate parenting. She drew attention to the various corporate planning partners that had informed the Plan. She referred to the legislative duty of Corporate Parents to promote the interests of care-experienced children. She gave details of the numbers of looked after children in the county and their type of care. She outlined the ethos of the Plan informing Members that it had been co-produced by care-experienced young people. The Plan would go forward to the East Lothian Partnership on 24 January for their endorsement. A briefing for Members would take place on 24 March.

Councillor O'Donnell asked if cultural and spiritual needs were considered during an assessment. Ms Saunders confirmed these needs were taken into account.

In response to a query from Councillor Henderson about the involvement of the voluntary sector, Ms Saunders advised that Children's Services worked very closely with the third sector and the voluntary sector. There were also a range of charity organisations that engaged volunteers in local communities, providing support and befriending as required.

Councillor Akhtar asked for more details regarding the mapping exercise of all therapeutic mental health resources. Ms Saunders stated this came through development of the new Children and Young People's Services Plan, the need for further investigation into resources for mental health for young people had been highlighted. This was recognised as a significant issue of concern. A short-life working group had been established and would report back at the end of March; their findings would then come forward into this Plan.

Councillor McGinn commended the report and the role of young people on the Champions Board; East Lothian was leading the way. He welcomed the briefing for Members.

Councillor Akhtar stated this was a useful and meaningful document. She drew attention to the support provided by various officers to the Champions Board.

Decision

The Cabinet agreed to endorse the East Lothian Corporate Parenting Plan 2017-2020 and noted the new responsibilities in the Children and Young People (Scotland) Act 2014 to prepare, publish and review its Corporate Parenting Plan every three years.

8. BUDGET DEVELOPMENT 2018

A report was submitted by the Depute Chief Executive (Resources and People Services) providing an update on matters affecting development of budgets including the draft budget proposals prepared on behalf of the Administration.

Mr Lamond presented a detailed report. He referred to the extensive public budget consultations for General Services and the annual statutory consultation with rent payers; Appendices 1 and 2 contained the summary findings. Based upon a draft Scottish Budget, the Council had received a written grant settlement offer from the Cabinet Secretary for Finance. He stressed that the draft Scottish Government Budget was not scheduled to complete the formal parliamentary process until 22 February and therefore, as with all other councils, the terms of the settlement offer were subject to change. Notwithstanding this, section 3.5 of the report provided information on the Local Government Finance Settlement both nationally and locally in relation to key features affecting this Council. He indicated that the settlement offer represented a significant reduction in Scottish Government funding and consequently the Council would require to make reductions to its cost base or generate additional income. He added that on this occasion the level of uncertainty and the potential for change to the Scottish Budget and perhaps the Local Government Settlement was higher than normal. He outlined the requirement as regards the terms of the settlement offer.

Turning to the Draft Administration Budget Proposals, Mr Lamond advised that these had been prepared in accordance with the resolution made by Council on 31 October and were contained within Appendices 3 and 4 for General Services and Appendix 5 for the HRA. Section 3.8 of the report gave information on the limitations associated with proposed service based reduction targets and the planning context within which these had been prepared. He outlined the next steps in the budget process including the arrangement for development and submission of amendments, which he reminded Members should be submitted in accordance with the Council resolution of 19 December.

Councillor Forrest, referring to the grant received in 2017/18 to deliver services this year asked if staff continued delivering the same level of services as this financial year meant that the grant available had reduced by £3,744m. Mr Lamond confirmed this was the case; he referred to the Scottish Parliament Information Centre (SPICE) briefing on the provisional settlement to local authorities, a “like for like” year on year comparison had been prepared that sought to strip out new policy burdens and inflationary drift, the Council’s reduction in core grant had been assessed to be -£3.9M.

Councillor Small asked if the declaration of council tax could be separated from setting the budget, i.e. could the budget meeting, set for 13 February, be moved. Mr Lamond outlined time pressures, more difficult in recent years, due to the UK Chancellor announcing his budget later, then the Scottish Government budget announcement and finally the local government settlement. He referred to other obligations including informing council tax payers of their new payment as of April; mid-February was the latest that the council tax could be set. He stressed that budgets that supported council tax were joined together; his strong recommendation would be for these to be considered at the same meeting.

Councillor Currie referred to the assessment of 3-year revenue support grant figures and the comparison against additional yield from council tax, seeking confirmation that the yield more than compensated for the loss in the grant. Mr Lamond advised that the revenue support grant figure, although correct, was some way from meeting new burdens. Regarding the council tax yield, there had been a slight change to the approach regarding the grant in years 2 and 3. The Scottish Government had greater fiscal autonomy now and the Council had accordingly modified its position. He stressed that it was very important that all of these factors were taken into consideration.

Councillor Dugdale queried, despite East Lothian being one of Scotland’s fastest growing areas, how the Scottish Government arrived at their figure, facing the Council with the fourth biggest reduction in grant of any mainland council. Mr Lamond referred again to the SPICE briefing paper. He stated there were multiple pressures, many shared by all local authorities, some unique to those facing rapid demographic growth. He referred to the distribution mechanism for local government, which was hugely complex. Population levels were simply

one amongst many other indicators used to distribute resource and even when used, there was a time lag such that validated data often ran several years behind the actual population, in times of rapid growth this would inevitably work against those councils.

Councillor Findlay asked why the Council Tax Reduction Scheme remained the same. Mr Lamond advised that in terms of performance in 2017/18 the figure might have come in slightly less than the £5M provision and might be deemed sufficient. He added that Universal Credit, which went live in March 2017, had impacted significantly.

Councillor O'Donnell referred to the £1.2M extra for social care obligations, stating that if this had been assessed per population then it should have been £3.2M; she asked if the figure allocated would be adequate. Sarah Fortune, Service Manager for Business Finance, advised that work was ongoing as regards verification; initial suggestions were that this figure was unlikely to cover all the Council's obligations but she hoped to get this validated quickly and the information circulated to Members.

Councillor Currie, referring to the level of miscellaneous savings and given the numerous unknowns, remarked that it would not be competent to approve the draft budget at present. Mr Lamond referred to section 3.8 of the report, which highlighted the uncertainty over the national settlement, stating that the approach taken had been to issue a draft set of proposals; he drew particular attention to the last sentence as regards reporting further detail. Regarding questions about the reporting route, Mr Lamond said it was the intention to report to Council not Cabinet. Councillor Currie asked, if those unspecified £M remained, if officers would come back to a special meeting of Council before the end of March outlining potential cuts. Mr Lamond confirmed this would be the scenario, adding that effectively these were unallocated cash targets; these had featured before in year 1 budgets.

Councillor McGinn, referring to the pay increase of 2.5% for all employees, asked how much funding had been provided by the Scottish Government to cover this increase. Mr Lamond advised that the draft budget proposals put forward by the Administration included a provisional uplift in relation to potential pay awards for all staff groups over the next 3 financial years of 2.5%, 2% and 2%. Within the settlement and with the exception of something for the full year effect of the 2017 teacher's pay award, he suggested that no uplift had been reflected and that the Council would need to meet the cost of any 2018 awards actually made from within the settlement grant offer.

Councillor O'Donnell, referring to the possibility of change to the settlement offer, asked, if it was a flat cash settlement, if targets would then be negated. Mr Lamond advised that in cash value terms another £150M would be needed from the national settlement; he referred again to the SPICE figure. Following further questions about the funding gap, Ms Fortune stated that when officers had circulate the draft the gap was £6.5M at that point, which included the pay award of 2.5%, the yield from pensions and a range of other inflationary options.

Responding to Councillor Goodfellow, Mr Lamond confirmed that on 22 December all Group Leaders were provided with the same information from officers in the form of an officer's draft base, subsequently updated to reflect the actual settlement offer, the results of the public budget consultations and a range of potential budget reductions identified by officers.

Councillor Henderson asked if the Council did any work on its own inflationary rate. Mr Lamond advised that in the last couple of years officers had begun to look at this and it was now built in as inescapable growth.

Councillor Akhtar asked if the Scottish Government had the ability to provide local authorities with more details of future settlements; it continued to provide only a 1 year settlement. Mr Lamond indicated this was a difficult question to answer. As Members were aware, the UK Chancellor had within his UK budget provided longer term spending plans covering the next

4 years and these provided indicative departmental totals that gave an indication of the likely funding to be made available for public services. However, that in itself did not necessarily mean that multi-year settlements at Scottish level should be a given. While Brexit negotiations took place, the UK and therefore the Scottish economy faced a period of unprecedented uncertainty and there were perhaps good reasons to exercise a degree of caution when forward planning. However, within their annual Local Government Overview Reports, Audit Scotland had emphasised that despite obvious challenges associated with uncertainty, it was more important than ever to formulate plans on a longer-term basis and a return to multi-year settlements in local government would be beneficial.

The Convener opened the debate, thanking Mr Lamond and his team for their work on development of the draft budget to this stage. He also gave thanks to the Chief Executive and the Council Management Team. He stated that this budget development process was completely innovative; the Administration's draft budget proposals were presented for discussion and amendment. Discussions had been held with both Group Leaders and he welcomed further debate. The Administration was willing to take on ideas to protect services in East Lothian. He urged all Members to come together for the benefit of the county. He outlined the next stages in the budget development process.

Councillor Small, Conservative Group Leader, stated that the public expected the Council to be run efficiently and wisely. Salaries accounted for a large part of the budget; staff had to be productive and efficient. There was a need to be far more innovative in how services were provided, a local authority could no longer provide everything for everyone; a major shift was needed between the Council and its customers. The core priority must be ensuring that children received the best start possible. There were three other issues: social housing, caring element and development of the Cockenzie site. All Members had to work together.

Councillor Currie, SNP Group Leader, said the Council needed to rise to the occasion and apply its best resources to facing the challenges ahead; this was what the public expected. Referring to section 3.8, he stressed that Members had to put forward what they felt was a correct budget, it was not acceptable for officers to put forward their proposals for Members to approve. The Council should wait until the final settlement on 22 February and then set the budget. The SNP Group would engage in trying to ensure there was a budget but stated that Members were within their rights to pursue their manifesto.

Councillor O'Donnell, Cabinet Member for Health and Social Care, stressed that integration of services needed moved forward swiftly. There was a need for a transformational move of funds from the NHS. Considerable good work was being done but the Council had reached the point where it needed to make changes in how it delivered social care. The scale of challenges facing Adult Wellbeing was unprecedented. She urged all Members for their support to enable delivery of high quality social care services.

Councillor Akhtar, Education and Children's Services Cabinet Member, reiterated the difficult and challenging set of circumstances facing the Council. The settlement figure had not taken into account that East Lothian was one of the fastest growing local authorities. The Administration's draft budget included investment in primary and secondary school estates, the Capital Programme listed improvements and upgrading required to facilities; the level of need and demand was considerable and required support.

Councillor McMillan, Provost and Cabinet Member for Economic Development and Tourism, indicated that this draft budget supported the Council Plan, it supported a financial strategy that valued people, services and staff. A change in the Council's culture was happening. The Council would work with external partners to be more innovative. He quoted from the Council Plan; the aim to make East Lothian the best place to live, work, learn and play.

Councillor Goodfellow, Cabinet Member for Housing, highlighted the Administration's record on housing. The Council provided some of the most affordable rents in Scotland but still managed to deliver a surplus, which had allowed improvement in the council housing stock and opportunities to purchase to add to the housing stock.

The Convener expressed his appreciation of the atmosphere in the Chamber and Members' understanding of the difficult situation facing the Council.

Decision

The Cabinet agreed:

- i. to approve the draft budget proposals as contained within the report appendices noting the intention of the Acting Council Leader to invite further discussion with other political groups via Group Leaders between now and the formal budget setting meeting of Council on 13 February;
- ii. to request that any formal amendments to the draft proposals be submitted in accordance with the terms of the Council resolution of 19 December 2017; and
- iii. that should any further, formal response to the Cabinet Secretary's settlement offer be considered necessary, the Depute Council Leader should do so in consultation with the other Group Leaders.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

The Cabinet agreed to exclude the public from the following business containing exempt information by virtue of Paragraph 6 (information concerning the financial or business affairs of any particular person other than the Authority) of Schedule 7A to the Local Government (Scotland) Act 1973.

Mid-Market Rent Proposal – Bowmont Terrace, Dunbar

A private report regarding a Mid-Market Rent Proposal at Bowmont Terrace, Dunbar was approved by the Cabinet.