



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

**TUESDAY 27 FEBRUARY 2018  
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

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**Committee Members Present:**

Provost J McMillan (Convener)  
Councillor S Akhtar  
Councillor L Bruce  
Councillor S Currie  
Councillor F Dugdale  
Councillor J Findlay  
Councillor A Forrest  
Councillor N Gilbert  
Councillor J Goodfellow  
Councillor N Hampshire

Councillor J Henderson  
Councillor S Kempson  
Councillor K Mackie  
Councillor C McGinn  
Councillor P McLennan  
Councillor K McLeod  
Councillor F O'Donnell  
Councillor B Small  
Councillor T Trotter  
Councillor J Williamson

**Council Officials Present:**

Mrs A Leitch, Chief Executive  
Mr A McCrorie, Depute Chief Executive (Resources and People Services)  
Ms M Patterson, Depute Chief Executive (Partnerships and Community Services)  
Mr D Small, Director of East Lothian Health & Social Care Partnership  
Ms F Robertson, Head of Education  
Ms S Saunders, Head of Adult & Children's Services  
Mr T Shearer, Head of Communities and Partnerships  
Mr S Cooper, Team Manager – Communications  
Ms E Denovan, Service Manager – Corporate Finance  
Ms C Dora, Executive Officer  
Ms S Fortune, Service Manager – Business Finance  
Mr P Forsyth, Team Leader – Assets & Regulatory (Transportation)  
Mr C Grilli, Service Manager – Legal and Procurement  
Mr I McFarlane, Service Manager – Planning  
Mrs K MacNeill, Service Manager – Licensing, Admin and Democratic Services  
Mr A Stubbs, Service Manager – Roads  
Mr P Vestri, Service Manager – Corporate Policy and Improvement

**Visitors Present:**

None

**Clerk:**

Mrs L Gillingwater

**Apologies:**

Councillor G Mackett  
Councillor W Innes

**Declarations of Interest:**

Councillor Akhtar, Forrest, Mackie and O'Donnell declared an interest in respect of Item 11 (Governance Review – Musselburgh Racecourse) as members of the Musselburgh Joint Racing Committee, and advised that they would leave the meeting for the duration of this item.

Councillor McMillan also declared an interest in respect of Item 11 as a former member of the Musselburgh Joint Racing Committee, and he advised that he too would leave the meeting for the duration of this item.

**1. MINUTES FOR APPROVAL**

The minutes of the Council meeting specified below were approved:

**East Lothian Council – 19 December 2017**

*Matters arising: Item 4 (Financial Strategy)* – Councillor McLennan asked if any discussions had taken place within the Administration or with the City of Edinburgh Council as regards the introduction of a tourist levy. The Provost reported that CoSLA was considering this issue, and that Members would be informed of the outcome of those deliberations.

*Item 8 (Motion on RBS Closures in Dunbar and North Berwick)* – Councillor McLennan asked what action had been taken in relation to the motion on the Royal Bank of Scotland closures in Dunbar and North Berwick. The Chief Executive advised that she had written to the Chief Executive of RBS, but was yet to receive a response. She reminded Members that, following the closure of the Prestonpans branch, she had met with the RBS executives and expressed the Council's concerns about banking provision; she was awaiting an update on this issue. She added that the Depute Leader had also written to the Secretary of the Treasury on this matter. The Provost noted that he would be leading discussions with two other banks with a view to opening branches in East Lothian.

*Item 6 (Amendments to Standing Orders)* – as regards membership of committees, Councillor Currie advised that the SNP wished to make a change to their representation on the Planning Committee, with Councillor Gilbert replacing Councillor Trotter. The Council agreed to this change. The Provost thanked Councillor Trotter for his contribution to the Planning Committee.

*Item 3 (Empowering Schools)* – Councillor Akhtar asked for an update on the Empowering Schools consultation. The Head of Education, Fiona Robertson, advised that 55 responses had been received, and that a significant number of parents had attending the public meeting. The responses had been incorporated into the Council's response, which was submitted to the Scottish Government on 7 February 2018.

*Item 6 (Amendments to Standing Orders)* – in response to a question from Councillor Goodfellow regarding political balance on the East Lothian Licensing Board, the Service Manager – Legal and Procurement, Carlo Grilli, advised that the Licensing Board was subject to specific legislation and had to act with political neutrality; therefore, political proportionality could not be applied. Councillor Currie remarked that although there was no requirement for political balance, it might be considered desirable. He noted that he would take this matter up with officers, with a view to resolving the issue.

**2. MINUTES FOR NOTING**

The minutes of the East Lothian Partnership meeting of 26 September 2017 were noted.

### **3. BEST VALUE ASSURANCE REVIEW 2018**

A report was submitted by the Chief Executive informing the Council of Audit Scotland's intention to carry out a Best Value Assurance Review of East Lothian Council in the spring of 2018.

The Service Manager – Corporate Policy and Improvement, Paolo Vestri, presented the report, advising that the Council would be subject to a Best Value Insurance Review in 2018, the first such assessment since 2007. He highlighted the factors that would be taken into account during the review, which would involve interviews with staff, councillors and community planning partners. He advised that this process would get underway in mid-March, and that the report should be completed by June, with a report being presented to the Accounts Commission in October.

The review was welcomed by both Councillor Hampshire and the Provost, who looked forward to working with the auditors throughout the process.

#### **Decision**

The Council agreed to authorise the Chief Executive to dedicate appropriate resources to prepare for the Best Value Assurance Review.

### **4. FINANCIAL REVIEW 2017/18, QUARTER 3**

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

Sarah Fortune, Service Manager – Business Finance, presented the report, which had been brought to Council at the request of Members. She drew attention to the key aspects of the report, covering the positions with the General Services budget, Housing Revenue Account (HRA) and the capital programme. She highlighted, in particular, services which were overspent, noting that action was being taken to deliver efficiencies in those areas. She anticipated that the HRA would end the financial year broadly within budget, and that there was likely to be an underspend of £6.3m in the capital programme, £5.7m of which would be carried forward into the new financial year.

Officers responded to a number of questions from Councillor Small in relation to the Education and Adult Social Care budgets. Fiona Robertson, Head of Education, confirmed that the underspend in Education would have no impact on early learning and childcare. She advised of staffing changes required in this area to meet the needs of the '1140 hours' nursery provision. She also highlighted delays in recruiting to posts; a planned review of home-to-school transport for children with additional support needs, including regularising the timings of the school day across East Lothian; and ongoing work with head teachers to manage school budgets. On Adult Wellbeing, David Small, Director of Health & Social Care, advised that there had been some improvement in the delivery of the efficiencies programme and the income collection process since Quarter 2.

Councillor Currie voiced concern at the overspend on the Adult Wellbeing budget and asked if officers were confident that efficiency savings would be realised. Ms Fortune indicated that there was evidence that the overspend was reducing and that plans were in place to ensure efficiencies were delivered. However, she cautioned that this may not be achieved in the current financial year. Mr Small added that 80-90% of the programme would be delivered, but he could not say how much of this would be delivered in the current financial year. He noted that there had been improvements in delayed discharge figures, and that the use of acute hospital beds had reduced by 10% - a meeting would be held with the NHS to look at

the financial impact of this. He suggested that this matter could be discussed in more detail at the Integration Joint Board.

On the carry-forward of overspends, Ms Fortune pointed out that the Adult Wellbeing budget may start the 2018/19 financial year with a deficit, but reiterated that officers would continue to work with the service to deliver the required savings before the end of 2017/18.

Councillor McLennan asked about the cost to the Council of external day and residential care and foster placements for children and young people. Sharon Saunders, Head of Children and Adult Services, reported that for Children's Services, the projected year-end spend on external residential placements for 2017/18 was £1,55m, and for Education it was £1.869m, against 2017/18 budgets of £998,070 and £1.629m respectively. She emphasised that children were only placed externally where necessary, and that there was work underway to look at providing alternative local opportunities. On fostering, the budget for external placements was £250,000, with an in-year spend amounting to £499,000, due to higher numbers of children being in external foster placements (currently 13, although it had been as high as 19 in the current financial year). Ms Saunders advised that, traditionally, East Lothian has approximately 5 children in external foster placements at any one time. She made reference to pressures on the foster care capacity within East Lothian Council's own foster care service, which had resulted in an underspend for local placements, offsetting the costs of the overspend in the external placements budget.

In response to a question from Councillor McLennan as regards coastal car parking income, Ms Fortune advised that income received amounted to £127,000, which was lower than expected, but noted that the expected income for a full year would be £300,000. On the review of coastal car parking charges, the Chief Executive noted that the review would be carried out after a full year of operation, and that she would advise Members about the review process in due course.

With reference to projected expenditure on Polson Park, Tranent, Councillor McLeod asked if it would be possible to bring this work forward. Liz Denovan, Service Manager – Corporate Finance, undertook to look into this matter.

Councillor Hampshire opened the debate by paying tribute to staff for their efforts to continue providing high-quality services during difficult financial circumstances. He assured Members that staff were looking at new ways of delivering services, but that making changes could take some time.

Councillor Small recognised that the financial environment was challenging, but hoped that the implementation of changes could be accelerated. He hoped to see improvements in financial performance in the next quarterly report.

Councillor Currie welcomed the opportunity to debate this report at Council. With reference to the underspend on the capital programme, he warned that this may result in an overspend at a later date once projects had been delivered, and asked that this situation be monitored.

Councillor Akhtar highlighted the pressures on the Education and Children's Services budgets, especially at a time of population growth. She informed Members of the efforts being made to keep children and young people within East Lothian.

## **Decision**

The Council agreed to note the financial performance of services at the end of December 2017.

## **5. TREASURY MANAGEMENT STRATEGY 2018/19 TO 2020/21**

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking the approval of the Treasury Management and Investment Strategies for 2018/19 to 2020/21.

The Service Manager – Corporate Finance, Liz Denovan, presented the report, advising Members of the requirement for the Council to approve a Treasury Management and Investment Strategy that demonstrated compliance with the CIPFA Code of Practice. She highlighted the key aspects of the Strategy, which were summarised in the report at Sections 3.5-3.26. She also noted that a Members' briefing on treasury management would take place on 24 April.

Councillor Findlay raised the possibility of converting higher interest rate loans to lower ones. Ms Denovan advised that there were currently no re-financing opportunities available that would benefit the Council, but that she would continue to monitor this position.

Councillor McLeod asked if the Council was intending to borrow in the near future. Ms Denovan indicated that it was the intention to borrow up to £15m within the next week.

Responding to a question from Councillor Hampshire on whether the generation of income was taken into account when considering capital investment, Ms Denovan confirmed this to be the case.

Councillor Currie suggested that the Council should consider purchasing shop units to lease. Ms Denovan advised that this may be possible, but that such purchases would have to be made from the General Services budget.

Referring to the Council's previous high level of external debt in comparison to other Scottish local authorities, Councillor O'Donnell asked what the position was now. Ms Denovan explained that the situation had not changed significantly.

Councillor Small proposed that the Council should be looking at generating additional income in order to achieve its long-term plans. Councillor McLennan, speaking in support of this view, suggested that a cross-party group should be established to explore income-generation opportunities. Councillor Hampshire made reference to the opportunities that would be created by the development of Blindwells, Cockenzie and Queen Margaret University, noting that all parties would continue to be involved in discussions about these developments. However, he warned against the Council taking financial risks.

There followed a discussion on the establishment of a cross-party group, as proposed by Councillor McLennan, to look at investment/income generation opportunities. The Chief Executive reminded Members that the Council's priorities had been set out in the Council Plan and that any additional investment plans would have resource implications. She noted, however, that she was prepared to consider the ideas put forward by Members.

### **Decision**

The Council agreed:

- i. to note the Treasury Management Strategy, as referenced in Sections 3.5-3.23 of the report;
- ii. to note the Investment Strategy, as referenced in Sections 3.24-3.27 of the report;

- iii. to approve the repayment of loan fund advances by the statutory method before 1 April 2016 and after 1 April 2016, as set out in Sections 3.10-3.11 of the report;
- iv. to approve operational boundaries for external debt, as detailed in Section 3.20 of the report;
- v. to approve authorised limits for external debt, as detailed in Section 3.21 of the report;
- vi. to approve the delegation of authority to the Head of Council Resources to effect movement between external borrowing and other long-term liabilities, as detailed in Section 3.23 of the report; and
- vii. to approve the detailed Treasury Management Strategy Statement, available in the Members' Library (Ref: 24/18, Feb 18 Bulletin).

## **6. RATIFICATION OF THE SESPLAN BUDGET 2018/19**

A report was submitted by the Depute Chief Executive (Partnership and Community Services) seeking ratification of the decision of the Joint Committee of the South East Scotland Strategic Development Planning Authority (SESplan) to approve the SESplan operating budget for 2018/19.

Iain McFarlane, Service Manager – Planning, presented the report, advising of the decision of the SESplan Joint Committee in November 2017 to approve an operating budget for 2018/19; this decision required ratification by all member authorities. Mr McFarlane advised that the SESplan Strategic Development Plan 2 was currently at examination stage, with the report expected in the autumn of 2018, and that the member authorities had agreed to commit resources to complete any outstanding actions in relation to SDP2. He noted that, for 2018/19, the Council was being asked to contribute £10,000 to this function.

### **Decision**

The Council agreed to ratify SESplan's operating budget for 2018/19 in terms of the decision taken by the SESplan Joint Committee at its meeting on 27 November 2017.

## **7. EAST LOTHIAN COUNCIL LOCAL TRANSPORT STRATEGY AND ASSOCIATED PLANS**

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) presenting Council with the draft Local Transport Strategy and associated plans (subject to consultation and amendment, as appropriate), and advising of the consultation and scoping on the Strategic Environmental Assessment (SEA) accompanying the Local Transport Strategy and associated plans.

The Service Manager – Roads, Alan Stubbs presented the report, which had been continued from the meeting of the Council on 19 December 2017. He advised of the five main themes of the Strategy, which were reflected in the four action plans (as set out in Section 3.6 of the report). He drew attention to the timescales and the process for the consultation exercise, noting that a consultation report and final draft of the Strategy would be presented to Council for approval in June 2019.

Councillor Findlay requested that the review of coastal car parking charges should commence as soon as possible. He also asked how the Council would ensure the

involvement of rural communities in the Local Transport Strategy consultation. Mr Stubbs made reference to the method proposed for the consultation, which had also been used for previous consultations, and which would involve workshops being held in the six main towns and an online consultation facility. He also noted that a variety of community groups would be informed about the consultation, and he took on board suggestions as regards publicising the consultation. He advised that, due to resource issues, it would be difficult to deliver additional workshops to those planned. Councillor Findlay suggested that additional workshops could be held in the larger villages; Mr Stubbs agreed to discuss this further with him outwith the meeting.

Councillor Currie questioned the re-wording of the section of the Parking Strategy. Mr Stubbs assured him that the wording had been amended to take account of the options available.

In response to a question from Councillor Williamson on the volume of documentation relating to the consultation, Mr Stubbs advised that an executive summary of each document would be produced, as well as a questionnaire on specific aspects of the consultation.

As regards the timescales of the consultation exercise, Mr Stubbs indicated that, if approved, it would be launched at the end of March, with the workshops taking place during the week beginning 19 April. The consultation would run for six weeks.

Responding to a question from Councillor Goodfellow on carbon emissions from vehicles, Peter Forsyth, Team Manager – Assets and Regulatory (Transportation), explained that there were a number of low-emission zones in East Lothian, and that work was underway to ascertain if the Council's parking wardens could issue penalty notices in instances of idling vehicles.

Councillor Small welcomed the revisions to the draft Strategy. He asked how the Local Transport Strategy linked to the Local Development Plan. Mr Stubbs advised that the Strategy may need to be altered to reflect the outcome of the LDP Examination Report.

Councillor Henderson raised her concerns at the technical nature of the documents, remarking that people may find them difficult to understand. She also sought reassurance that people's expectations would be managed through the workshops.

Councillor Currie expressed his disappointment that Members had not been given the opportunity to comment on the wording of the documents, particularly in relation to Parking Policies 4 and 5. He stated that SNP Members would not be supporting the draft Strategy because they felt the wording of these policies had not been amended sufficiently.

The draft Strategy and proposed consultation process was welcomed by a number of Members.

The Provost moved to the vote on the draft Local Transport Strategy, associated plans and supporting supplementary documents, for consultation:

For:	14
Against:	6

### **Decision**

The Council agreed to approve, for consultation, the draft Local Transport Strategy, associated plans and supporting supplementary documents.

## **8. EAST LoTHIAN PARTNERSHIP – REVISED STRUCTURE**

A report was submitted by the Chief Executive informing the Council of changes that the East Lothian Partnership had agreed to its structure.

The Service Manager – Corporate Policy and Improvement, Paolo Vestri, presented the report, advising of changes to the community planning process, as a result of the Community Empowerment (Scotland) Act 2015. He reminded Members of the decision by the East Lothian Partnership to approve the Local Outcomes Improvement Plan, and to the approval of a new structure by the Partnership in January 2018. He set out the details of that new structure.

Councillor Bruce asked about Council funding for the East Lothian Partnership. Mr Vestri advised that the Council made a contribution of £20,000, and that the NHS contributed £10,000. He added that the Police and the Fire and Rescue Service had made no financial contribution, adding that the future resourcing of the Partnership would be discussed by the Governance Partners Group.

In response to a question from Councillor Findlay as regards the potential for councillors to have a conflict of interest when voting on certain matters, Mr Vestri advised that this matter had not been discussed as part of the review, and that he had not been aware of any conflicts of interest. Councillor Findlay requested that this issue be considered.

Councillor Currie commented that the test of the new structure would be the outcomes, and suggested that there should be a review of the arrangements in due course.

Councillor Small welcomed the Chief Executive's role on the Governance Partners Group. He also spoke in support of the revised structure.

Councillor McGinn praised the diverse nature of the Area Partnerships, which had attracted broad representation from across communities and empowered people to make decisions affecting their own communities. His views were echoed by Councillor Forrest.

Councillor Akhtar pointed out that the Council could not address all issues alone, and that it was important to ensure that outcomes could be delivered. She welcomed the revised structure and the strengthening of Area Partnerships.

### **Decision**

The Council agreed:

- i. to note the new structure agreed by East Lothian Partnership;
- ii. to note that the Council no longer has lead responsibility for the Partnership, but rather joint responsibility with other organisations, and that consequently, Partnership meeting minutes would now be placed in the Members' Library rather than being presented separately to the Council for noting; and
- iii. to authorise the Council's Chief Executive, or substitute when necessary, to represent the Council on a Governance Partners Group.



## **9. SCHEDULE OF MEETINGS 2018/19**

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval of the Schedule of Meetings of the Council, committees and other forums for 2018/19.

The Clerk presented the report, advising that the 2018/19 schedule largely followed that of the current session. She noted that a change had been requested to the date of the PPRC meeting in June 2019, proposing that this meeting be held on 12 June.

### **Discussion**

The Council agreed:

- i. to approve the proposed Schedule of Meetings for 2018/19, noting the change to the PPRC meeting date in June 2019; and
- ii. to note that the schedule was subject to change, and that any changes would be communicated to Members and officers as soon as practicable.

## **10. SUBMISSIONS TO THE MEMBERS' LIBRARY, 7 DECEMBER 2017 – 14 FEBRUARY 2018**

A report was submitted by the Depute Chief Executive (Resources and People Services) advising Members of the reports submitted to the Members' Library since the last meeting of the Council.

### **Decision**

The Council agreed to note the reports submitted to the Members' Library Services between 7 December 2017 and 14 February 2018, as listed in Appendix 1 to the report.

## **SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION**

The Council unanimously agreed to exclude the public from the following business containing exempt information by virtue of 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.

### **Governance Review: Musselburgh Joint Racing Committee**

A private report advising of the findings of a governance review of the Musselburgh Joint Racing Committee was approved by the Council.