



MINUTES OF THE MEETING OF EAST LoTHIAN COUNCIL

TUESDAY 30 OCTOBER 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 W Innes
Councillor S Kempson
Councillor G Mackett
Councillor K Mackie
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
Ms A MacDonald, Acting Director of Health and Social Care
Mr A McCrorie, Depute Chief Executive (Resources and People Services)
Ms M Patterson, Depute Chief Executive (Partnerships and Community Services)
Mr J Lamond, Head of Council Resources
Mr D Proudfoot, Head of Development
Mr T Reid, Head of Infrastructure
Ms S Saunders, Head of Communities and Partnerships
Mr S Cooper, Team Manager – Communications
Ms E Denovan, Service Manager – Corporate Finance
Ms C Dora, Executive Officer
Mr P Forsyth, Team Manager – Assets and Regulatory
Ms S Fortune, Service Manager – Business Finance
Ms A-M Glancy, Principal Accountant (Financial)
Mr C Grilli, Service Manager – Legal and Procurement
Mr M Mackowiak, Planner
Mr I McFarlane, Service Manager – Planning
Mr A Stubbs, Service Manager – Road Services
Mr P Vestri, Service Manager – Corporate Policy and Improvement

Visitors Present:

Ms E Scoburgh, Audit Scotland
Ms G Woolman, Audit Scotland

Clerk:

Mrs L Gillingwater

Apologies:

Councillor C McGinn

Declarations of Interest:

Councillor McLennan, Items 7-10, due to his employment status

1. MINUTES FOR APPROVAL

The minutes of the Council meeting specified below were approved:

East Lothian Council – 28 August 2018

Special East Lothian Council – 11 September 2018

2. MINUTES FOR NOTING

The minutes of the Local Review Body (Planning) meeting of 30 August 2018 were noted.

3. 2017/18 ANNUAL AUDIT REPORT

The Provost welcomed Gillian Woolman of Audit Scotland to the meeting.

Ms Woolman provided a detailed presentation of the 2017/18 Annual Audit Report, confirming that the Council's accounts had been signed off on 30 September and that the Council had been given an unqualified opinion on the accounts. She highlighted the key aspects of the report and directed Councillors to the Action Plan and the significant risks identified during the audit process.

In response to questions from Councillor Small, Ms Woolman explained that in assessing the Council's borrowing position, the auditors would refer to the Prudential Code, the Treasury Management Strategy and a range of indicators, and relate those to the Council's Capital Plan, as well as comparing the Council's position to that of other councils. She noted that if the prudential limits were breached, then this would be highlighted in the report. On the level of usable reserves, Jim Lamond, Head of Council Resources, advised that the Council currently had £4 million of uncommitted reserves, and that this met the requirement of the existing Reserves and Financial Strategies.

As Convener of the Audit & Governance Committee, Councillor Henderson welcomed the report and noted that the Committee would ensure the ongoing scrutiny of arms-length external organisations.

Councillor Innes commented that the report would reassure the public that the Council's finances were in good order and that the Council was performing well. He highlighted the key messages: that the Council had effective financial management and controls, that the budget and financial strategy were linked to priorities, that the financial position was sustainable, and that there was good governance. He referred to the Council's record on delivering savings and services. His comments were supported by Councillor Akhtar, who thanked staff for their input into the audit process and for their efforts in delivering services at the same time as delivering savings.

Councillor Currie warned of the impact of Universal Credit, particularly in relation to the level of rent arrears. He also highlighted that challenges facing the IJB as regards demographics

and financial pressures. He called for the matter of trust funds to be resolved in order that people could benefit from those funds.

In response to Councillor Currie's comment on rent arrears, Ms Woolman pointed out that the increase in arrears amounted to less than 1%, and that this did not have a significant impact on the financial results. However, she undertook to monitor this issue in future years.

The Provost concluded the debate by thanking Ms Woolman for her report and presentation.

Decision

The Council agreed to note the 2017/18 Annual Audit Report.

4. FINANCIAL PROSPECTS – 2019/20 AND BEYOND

A report was submitted by the Depute Chief Executive (Resources and People Services) providing the Council with an update on the financial outlook for 2019/20 to 2023/24, building upon the previous 5-year financial prospects report covering the financial planning period (2018 to 2023) and updating the financial forecasts of the Council's anticipated cost pressures and changes to funding over the medium term. The report also set out the budget development framework for 2019 to 2022.

The Head of Council Resources, Jim Lamond, presented the report, highlighting the financial risks and challenges facing the Council, and the increasing importance of longer-term financial planning. He summarised the work undertaken on financial modelling and potential financial scenarios covering the next five years. He noted that a revised Financial Strategy would be presented to Council in December, and set out the proposed budget development process for 2019/22.

In response to questions from Members, Mr Lamond advised that an increase in the Council's contribution towards teachers' pensions would amount to approximately £2 million per annum; this increase was not currently reflected in the budget. On the Scottish Government's budget-setting process, Mr Lamond indicated that the Scottish Government could not set its budget until the UK Government's budget was concluded and that single year settlements for local government were likely to continue at least until the next spending review was completed. However, he anticipated that the revenue support grant would continue to decrease in real terms for the foreseeable future. He confirmed that the Council did not currently receive any funding from the Attainment Scotland Fund. As regards efficiencies achieved through the Transformation Programme, Mr Lamond highlighted the risks and challenges of not delivering the current plans. He reassured Members that the Council retained a level of reserves to cover any unforeseen circumstances; however, he stressed that these reserves were now at the minimum level required, and that in times of uncertainty it was important to plan for a variety of scenarios.

On the budget development process, Councillor Currie suggested that too much detail had been provided in previous years. Mr Lamond indicated that for short-term planning, the detail was important, but for longer-term planning less detail would be appropriate. He highlighted the timescales for the budget development process, noting that officers would consider the most effective ways of briefing Members.

Mr Lamond advised that the Council had not received news of its allocation as regards free personal care for the under-65s; it was possible that some information would be available as part of the annual finance settlement that was due in late December. He added that discussions were ongoing between CoSLA and the Scottish Government on this issue.

Councillor Hampshire highlighted the challenges facing the Council as regards decreasing funding and increasing population levels. He warned that the Council would need to take difficult decisions in the forthcoming budget.

Decision

The Council agreed:

- i. to note the content of the report, including the updated financial prospects covering the financial period 2019/20 – 2023/24;
- ii. that advance work on budget development for 2019/22 onwards would commence in accordance with the potential scenarios outlined in the report; and
- iii. to approve the budget development process set out in Section 3.35 of the report.

5. LOCAL GOVERNANCE REVIEW

A report was submitted by the Chief Executive proposing an appropriate way of contributing to the Local Governance Review being carried out by the Scottish Government and CoSLA.

Paolo Vestri, Service Manager – Corporate Policy and Improvement, presented the report, advising Members of the review, which would focus on decentralisation of power and community empowerment. He proposed that a cross-party working group be established to formulate the Council's response to the review, the deadline for submission of which is 14 December.

The Provost sought nominations from each political group for the cross-party working group. The Labour Group nominated Councillors McMillan and Akhtar, the Conservative Group nominated Councillors Bruce and Findlay, and the SNP Group advised that they would put forward their nominations by 2 November.

Decision

The Council agreed:

- i. to set up a cross-party working group to draft a response to the Local Governance Review. The draft response would be presented for agreement at the next scheduled Council meeting on 11 December 2018; and
- ii. that Councillors Akhtar, Bruce, Findlay, McMillan and two SNP Members (to be confirmed) would take part in the working group.

6. EAST LOTHIAN COUNCIL PROPOSED LOCAL TRANSPORT STRATEGY

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) presenting a proposed Local Transport Strategy and associated plans for approval, advising Council of the outcome of the public consultation and changes recommended to be made to the Strategy and associated plans, and proposing a strategy that would enable Elected Members, officers and communities to shape the way transport is developed, planned and delivered across East Lothian.

Alan Stubbs, Service Manager – Roads, informing Members that the Local Transport Strategy reflected changes in Council policy and the Local Development Plan. He drew

attention to the main themes of the Strategy and the associated plans. He also highlighted the responses to the consultation, and resulting amendments to the Strategy documents.

Mr Stubbs responded to a number of questions from Members. He advised that, in relation to the financial implications, the level of funding from developer contributions would depend on Section 75 Agreements. He noted that having a local transport strategy was vital for the Council's ability to secure funding. On Parking Policy 5, he advised that proposals would be considered on a case-by-case basis and would come back to Council for approval. He pointed out that the views of communities and traders would be taken into account in considering proposals for parking charges, and that any surpluses from charges would be reinvested in facilities. On the assessment process, Mr Stubbs summarised what would be included, noting that the Council would have to comply with national standards. Councillor McLennan voiced his concern that the Council was being asked to approve the Strategy without having sufficient detail on the assessment process.

On the feasibility study on a Tranent bypass, Peter Forsyth, Team Manager – Assets and Regulatory, informed Members that the Council had funding to look at an access study from Haddington to Edinburgh, which would cover the Tranent area, and that a consultation on this would take place before the end of 2018.

In response to a question from Councillor Williamson as regards additional parking provision, Mr Stubbs pointed out that approval of the Strategy would allow officers to look at all the options in relation to parking, including access to funding, enforcement and monitoring methods.

Councillor Currie questioned whether the funding levels indicated were sufficient, and also the inclusion of proposals for on/off-street parking in the Strategy. Mr Stubbs noted that the £69 million outlined in Section 6.1 of the report was based on capital and revenue budgets for the next five years, and also covered Section 75 funding. Regarding on/off-street parking charges, he reiterated that approval of the Strategy would allow the Council to look at this issue in future.

The Provost noted that the Conservative Group had submitted an amendment in relation to Parking Policy 5, and invited Councillor Henderson to present her amendment, which stated:

The Council will assess the demand on town centre parking supply and appraise on an individual town-by-town basis, taking into account the views of local people and, where appropriate, the Council will introduce charging for off-street car parks and/or on-street parking places. All proposals for the introduction of charging for off-street car parks and/or on-street parking places will be brought to a meeting of East Lothian Council for approval.

The primary view of the Council is not to charge for off-street car parks and/or on-street parking places; however, schemes will be permitted on an individual basis if need and local support for such a proposal can be demonstrated. All parking regimes would require regular monitoring.

Councillor Henderson welcomed the inclusion of the Local Transport Strategy on the agenda for this meeting. She indicated that her group were largely supportive of the Strategy, but with the inclusion of the amendment (set out above). She believed that the Strategy should be more explicit on the introduction of on/off-street parking charges and, that recognising the differences among the various communities, each proposal for the introduction of such charges should be considered on its own merit, and there should be a presumption of no such charges unless there was a clear demonstrable case to charge.

Councillor Mackett seconded the amendment.

Councillor Kempson referred to a recent survey on parking charges carried out by Dunbar traders, the result of which was that 2000 respondents had indicated they were not supportive of parking charges in Dunbar. She believed that charges in Dunbar would be detrimental to high street businesses. Her comments were supported by Councillor McLennan.

Councillor Hampshire stressed the importance of the Council having an approved Local Transport Strategy, due to the significant growth in population and the impact of that growth on town centres. He noted that the parking strategy was only one element of the overall Strategy. He declared that on/off-street parking charges would only be introduced with the support of communities. He added that any income derived from parking charges would be used to deliver new and improved parking facilities.

Councillor Findlay expressed concern about the Strategy on rural areas, where people had to rely on cars due to poor public transport links.

Councillor Currie stated that the SNP Group would not support a strategy which included the possibility of introducing parking charges. He remarked that town centres were struggling and that charges would have an adverse impact. He also questioned the Conservative Group's 2017 manifesto, which had opposed parking charges, whereas their amendment would allow for such charges.

In response to comments made by SNP Members, Councillor Bruce emphasised that the position of the Council should be against charges, but that communities should be allowed to have the opportunity to consider them for their own area.

Councillor O'Donnell and Councillor Akhtar advised that they would support the amendment, on the basis that it was important to engage with communities on this matter.

Councillor Innes echoed Councillor Hampshire's comments as regards the impact of an increasing population on town centres and the road infrastructure, and the need to have a robust strategy to address such issues. He spoke in favour of different solutions for different communities, noting that the Local Transport Strategy would allow for this to be delivered. He declared that he would support the amendment.

Councillor Gilbert voiced his opposition to parking charges, but was supportive of increased enforcement. He was advised by Councillor Goodfellow that the only way to do this was through an increase in traffic wardens, which had to be funded by parking charges revenue.

Councillor Mackie concluded the debate by making reference to a recent event in Musselburgh where residents had spoken in opposition to parking charges, but wanted more action taken in respect of speeding, road safety and congestion on the High Street.

The Provost then moved to the vote on the amendment as submitted by the Conservative Group:

For: 15
Against: 6

The amendment was carried. The Provost then moved to the vote on the Recommendations, as amended:

For: 15
Against: 6

Decision

The Council agreed:

- i. to note the outcome of the consultation and recommended changes to the Local Transport Strategy following the consultation process;
- ii. to note that the Local Transport Strategy sets out the policy framework and provides the necessary tools to enable development of appropriately justified interventions; all projects would require further public consultation and be financially viable; and
- iii. to approve the adoption of the proposed Local Transport Strategy and associated plans (available in the Members' Library, Refs: 140/18 – 145/18, October 2018 Bulletin), as amended.

Declaration of Interest: having declared an interest in Items 7-10, due to his employment status, Councillor McLennan withdrew from the meeting.

7. EAST Lothian LOCAL DEVELOPMENT PLAN 2018: SCOTTISH MINISTERS' RESPONSE AND ADOPTION

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) informing the Council of the adoption of the East Lothian Local Development Plan 2018 on 27 September 2018.

Iain McFarlane, Service Manager – Planning, presented the report, confirming that Scottish Ministers had not issued any directions in respect of the Local Development Plan, and that the Local Development Plan had now been adopted. He noted that there was now a six-week period (effective from 12 October 2018) to allow for legal challenges; however, he believed that the Plan was robust and that the Council was in a good position to defend any such challenges. Mr McFarlane thanked everyone involved in the process.

Councillor Goodfellow asked if there was an agreed timescale for bringing forward the conservation area appraisal. Mr McFarlane advised that this had not yet been determined, noting that officers were now involved in the consideration of the next Strategic Development Plan. He indicated that the conservation area appraisal was likely to be reported in phases.

Councillor Hampshire welcomed the adoption of the Local Development Plan and the benefits that it would bring to communities in East Lothian, including enhancements to town centres and an improved school estate.

Sederunt: Councillor O'Donnell left the meeting.

Councillor Small spoke in support of the Plan, but called on the Council to be proactive as regards the monitoring of housing developments, in order to minimise any adverse impacts on local residents. He also mentioned the importance of the Plan benefiting younger people and first-time home buyers. Councillor Findlay added that the conditions set out in construction method statements should be enforced.

Councillor Currie paid tribute to Council officers involved in producing the Local Development Plan, but warned that changing economic conditions could have an impact on its delivery.

Decision

The Council agreed to note the adoption of the East Lothian Local Development Plan 2018 and that this plan would form part of the up-to-date development plan for East Lothian.

8. ADOPTED EAST LOTHIAN LOCAL DEVELOPMENT PLAN 2018 STATUTORY SUPPLEMENTARY GUIDANCE: REPORT ON CONSULTATION RESPONSES TO THE DEVELOPER CONTRIBUTIONS FRAMEWORK

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking approval of the Developer Contributions Framework (DCF) as formal supplementary guidance that the Council intends to adopt. Approval was also sought to submit the DCF to Scottish Ministers for review, as required by Section 22 (6) of the Town & Country Planning (Scotland) Act 1997 (as amended). The report also sought approval that should Scottish Ministers give clearance to the Council that their review of the DCF is complete, or if no response is received within 28 days of submission to Scottish Ministers, then the Council may adopt the DCF without any further modification and it would become constituted as adopted supplementary guidance. This would provide the Council with an adopted DCF as quickly as possible as part of the up-to-date development plan.

Iain McFarlane, Service Manager – Planning, presented the report, drawing Members' attention to the responses received to the consultation on the DCF. He noted that, as statutory supplementary guidance, the DCF was subject to ministerial approval, and that they would have 28 days to respond.

Councillor Hampshire highlighted the importance of the DCF, noting that £177 million of infrastructure developments were required in order to deliver the Local Development Plan, £110 million of which would come from developer contributions.

Councillor Currie commented that without developer contributions, the Local Development Plan could not be delivered, and that his group would therefore be supporting the DCF.

Decision

The Council agreed:

- i. to approve the responses to the representations received during the June and July 2018 consultation on the updated Developer Contributions Framework, as set out in Appendix 1 to the report;
- ii. to give its intention to adopt the Developer Contributions Framework as statutory Supplementary Guidance (available in the Members' Library, Ref: 147/18, October 2018 Bulletin);
- iii. to submit the Developer Contributions Framework to Scottish Ministers for a minimum 28-day review period, as required by Section 22 (6) of the Town & Country Planning (Scotland) Act 1997 (as amended);
- iv. that, subsequent to no changes being directed by Scottish Ministers, or no response being received from Scottish Ministers at the end of the 28-day period, that the Council would adopt the Developer Contributions Framework as statutory supplementary guidance for the assessment of financial contributions as required in the determination of planning applications; and

- v. to delegate authority to the Head of Development to make non-material amendments to the Developer Contributions Framework, Consultation Responses and accompanying Technical Note, and to approve a summary of the consultation and engagement on the Developer Contributions Framework to be submitted to Scottish Ministers alongside the Developer Contributions Framework.

9. ADOPTED EAST LOTHIAN LOCAL DEVELOPMENT PLAN 2018 SUPPLEMENTARY PLANNING GUIDANCE: REPORT ON CONSULTATION RESPONSES (DEVELOPMENT BRIEFS, CULTURAL HERITAGE AND THE BUILT ENVIRONMENT, FARM STEADINGS DESIGN GUIDANCE, SPECIAL LANDSCAPE AREAS AND ACTION PROGRAMME

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) informing Council of the results of the public consultation on supplementary planning guidance and the Action Programme to the East Lothian Local Development Plan. The report sought approval for amendments to the supplementary planning guidance and the Action programme arising from the consultation responses received, and approval to adopt the supplementary planning guidance and Action Programme, as amended.

Iain McFarlane, Service Manager – Planning, presented the report, noting that the consultation responses as regards affordable housing would be presented to the Council meeting of 11 December. Mr McFarlane pointed out that the guidance documents relating to this report were not subject to ministerial approval.

In response to a question from Councillor Hampshire as regards the access at Lochend Kennels, Dunbar, Mr McFarlane advised that as this was a private access it would be difficult for the Council to pursue closure of it; however, action would be taken to ensure that the design and layout of the road is improved.

On development briefs, Councillor Findlay asked if the Council would have to approve any amendments to these documents. Mr McFarlane advised that changes to supplementary guidance was subject to consultation and Member approval.

Councillor Goodfellow asked a question in relation to landscape and visual analysis. Mr McFarlane stated that applicants were required to include these aspects in their submission, and that they would be assessed by officers in line with the design briefs.

Decision

The Council agreed:

- i. to approve the amendments proposed to the supplementary planning guidance and the Action Programme arising from the consultation responses received; and
- ii. to adopt the Action Programme (available in the Members' Library, Ref: 151/18, October 2018 Bulletin) and the following documents as non-statutory supplementary planning guidance to the East Lothian Local Development Plan 2018: Cultural Heritage and the Built Environment (MLS Ref: 152/18), Farm Steading Design Guide (MLS Ref: 153/18), Development Briefs (MLS Ref: 154/18), and Special Landscape Areas (MLS Ref: 144/18).

10. ADOPTED EAST LOTHIAN LOCAL DEVELOPMENT PLAN 2018 DRAFT SUPPLEMENTARY GUIDANCE FOR CONSULTATION (TOWN CENTRE STRATEGIES) AND DRAFT SUPPLEMENTARY PLANNING GUIDANCE (DESIGN STANDARDS FOR NEW HOUSING AREAS; GREEN NETWORKS)

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking Council approval for consultation on draft statutory supplementary guidance and draft non-statutory supplementary planning guidance associated with the adopted East Lothian Local Development Plan 2018 (ELLDP 2018), namely:

- A draft of statutory supplementary guidance: Town Centre Strategies (available in the Members' Library, Ref: 156/18, October 2018 Bulletin);
- A draft of non-statutory supplementary planning guidance: Design Standards for New Housing Areas (available in the Members' Library, Ref: 157/18, October 2018 Bulletin);
- A draft of non-statutory supplementary planning guidance: Green Networks (available in the Members' Library, Ref: 158/18, October 2018 Bulletin)

A revised documents relating to Green Networks was tabled to Members. Members were advised that the replacement pages referred to pp. 25-40 of the original document.

Iain McFarlane, Service Manager – Planning, presented the report, noting that the documents outlined in the report were subject to consultation, and would be brought back to Council for approval following the conclusion of the consultation.

Councillor Currie and the Provost welcomed the consultation on these issues and looked forward to receiving the responses.

Decision

The Council agreed to approve for consultation the following draft documents:

- draft statutory supplementary guidance: Town Centre Strategies;
- draft non-statutory supplementary planning guidance: Design Standards for New Housing Areas;
- draft non-statutory supplementary planning guidance: Green Networks.

Sederunt: Councillor McLennan returned to the meeting.

11. APPOINTMENTS TO COMMITTEES AND BOARDS

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval of the following appointments:

- Councillor Williamson to the Planning Committee (replacing Councillor Currie)
- Councillor Gilbert to the East Lothian Integrated Joint Board (replacing Councillor Currie)
- Councillor Innes to the East Lothian Licensing Board (replacing Councillor McGinn)

Decision

The Council agreed to approve the following appointments:

- i. Councillor Williamson to the Planning Committee;

- ii. Councillor Gilbert to the East Lothian Integrated Joint Board; and
- iii. Councillor Innes to the East Lothian Licensing Board.

12. NOTICE OF MOTION – PRIMARY 1 TESTING

A motion was submitted by the Conservative Group, stating:

That the Council believes that although good-quality pupil assessment is an essential component of the drive to raise educational standards in Scotland's schools, it acknowledges the will of the recent Parliamentary vote; notes the level of concern which has been raised by teachers, education professionals, parents and MSPs regarding the introduction and delivery of new testing arrangements for Primary 1 pupils; acknowledges that although formal, standardised testing is essential in Primary 4 and Primary 7, it should not happen in Primary 1 where it cannot deliver the same meaningful results; considers the Scottish Parliamentary vote against this testing in Primary 1 and the subsequent will of MSPs who questioned, based on clear and concise evidence, as to whether the new Primary 1 tests are in line with the play-based learning philosophy of the early years provision in the Curriculum for Excellence; urges councillors to call on the Scottish Government to heed the will of the majority of MSPs and halt the Primary 1 tests which have been condemned by teachers and parents alike, and to subsequently reconsider the evidence as well as its entire approach to evaluating the progress of Primary 1 pupils.

The motion was proposed by Councillor Mackie, who was of the view that the motion was still relevant despite the recent announcement by the Cabinet Secretary for Education, John Swinney, that there would be an independent review of Primary 1 testing. Councillor Mackie pointed out that concerns had been raised by parents and the EIS about the tests, claiming that they were causing stress and upset to some children. She accepted that assessing children at key stages of their education was important, but believed that it was not appropriate to test children in Primary 1, and that at that stage play-based learning was more important. She noted that, pending the outcome of the review, testing would continue for 2018/19. Councillor Mackie urged councillors to call on the Scottish Government to halt Primary 1 testing.

The motion was seconded by Councillor Henderson.

Councillor Kempson opened the debate, arguing that testing children of four or five years old was fundamentally flawed and such tests did not actually assess the knowledge of the children. She also claimed that testing over the course of the year meant that the tests were not standardised and that the resulting data was unreliable. She was concerned that the Scottish Government was looking to use this data for political purposes.

Councillor Currie disputed Councillor Kempson's comments. He also questioned why this motion had come forward, given that the Scottish Conservatives' 2016 manifesto had declared support for Primary 1 testing.

Councillor Akhtar expressed concern that the will of the Scottish Parliament was not being carried out.

Referring to academic research which indicated that testing of pupils at such an early age was not in the best interest of the children, Councillor Innes advised that he would support

the motion. His views were echoed by Councillor Hampshire, who also alluded to an increase in mental health issues and stress among children.

Councillor Williamson recalled comments made by the Head of Education at a meeting of the Education Committee, pointing out that the children would not be aware that they were being assessed, and that a positive aspect of the assessment would mean that problems could be identified and addressed at an earlier stage.

Summing up, Councillor Mackie stated that this motion was concerned with the impact of testing on children, and suggested that the tests should be halted pending the outcome of the review.

The Provost then moved to the vote on the motion:

For: 14
Against: 6

The motion was carried.

Decision

The Council agreed to call on the Scottish Government to heed the will of the majority of MSPs and halt Primary 1 testing.

13. SUBMISSIONS TO THE MEMBERS' LIBRARY, 17 AUGUST - 19 OCTOBER 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.

With reference to reports relating to the awarding of Council contracts, Councillor Currie asked if there was an update on action being taken in relation to sub-contracts being awarded to local firms, noting that Councillor Innes had undertaken to look into this matter.

The Chief Executive advised that she would respond to Councillor Currie on this issue.

Councillor Innes suggested that the benefit to the local economy should be given greater weight in the procurement framework, which would be advantageous to local firms. Councillor Hampshire added that the Council had made considerable efforts to encourage local firms to bid for contracts.

Decision

The Council agreed to note the reports submitted to the Members' Library Services between 17 August and 19 October 2018, as listed in Appendix 1 to the report.

Signed

Provost John McMillan
Convener of the Council



**MINUTES OF THE MEETING OF THE
LOCAL REVIEW BODY**

**THURSDAY 11 OCTOBER 2018
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

2

Committee Members Present:

Councillor W Innes (Chair)
Councillor S Kempson
Councillor N Gilbert

Advisers to the Local Review Body:

Mr I McFarlane, Planning Adviser to the LRB
Mr C Grilli, Legal Adviser to the LRB

Others Present

Ms M Haddow, Transportation Planning Officer

Committee Clerk:

Mrs F Stewart

Declarations of Interest

None

Apologies

None

Councillor Innes, elected to chair the meeting by his colleagues, welcomed everyone to the meeting of the East Lothian Local Review Body (ELLRB).

A site visit had been carried out for each of the two planning applications on the agenda prior to the meeting.

1. PLANNING APPLICATION 18/00031/P – REVIEW AGAINST CONDITION APPLICATION FOR A DRIVEWAY AT 8 COUNCIL HOUSES, HUMBIE

The Chair invited the Planning Adviser, who had had no involvement in the original decision, to present a summary of the planning policy considerations in this case.

Iain McFarlane, Planning Adviser, stated that the subject of this application was a semi-detached house located on the northeast edge of Humbie. The applicant had sought planning permission (partly in retrospect) for the formation of a vehicular access in the front (east) garden of his property and to widen the access point, by removing a further length of the existing stone boundary wall which encloses the front garden. Planning consent had been granted on 6 June 2018, subject to one condition. This condition required alterations to be made to the plans in order that one parking space was retained within the parking bay to the front of the property. The condition also required the hardstanding area to be extended in order that vehicles could turn and leave the property without the need to reverse onto the B6368, the main road which runs through Humbie.

The Planning Adviser stated that the applicant's grounds of appeal were that it was not necessary to retain a parking space in front of his property. Roads Services Officers had objected to the planning application as it would remove two parking spaces in an area of relatively high demand. They also required that there was space within the curtilage of the property for a vehicle to turn and access the road in a forward gear.

The Planning Adviser stated that the Case Officer had considered that the application for a driveway was acceptable in principle, but shared the concerns of Roads Services Officers on the issues outlined above. The Planning Adviser also stated that a possible solution had been identified following discussions between the Planning Case Officer and Road Services Officers, which would enable them to support the application. This would require one of the two parking spaces in front of the property to be retained and for the hardstanding area to be of a sufficient size to allow vehicles to turn within the site and access the road in a forward gear.

The Chair thanked the Planning Adviser for his presentation and asked his colleagues if they had sufficient information to proceed to determine the application today. They unanimously agreed to proceed and comments on the application followed.

Having visited the site, Councillor Kempson considered that it was important to retain one parking space in the parking bay in front of the property. It was also her view that the terms of the condition would allow the applicant to create a drive without losing two spaces in the parking bay.

Councillor Gilbert agreed that the terms of the condition were reasonable in the circumstances and would support the decision of the Case Officer.

Councillor Innes was concerned that there was adequate space on the driveway to allow cars to manoeuvre and thereby not have to be reversed onto the main road. He also considered that it was important to retain one space in the parking bay in front of the property. In his view, the parking bay was different to on-street parking as it was an area created for public parking. He too, therefore, was minded to support the original decision of the Case Officer.

Decision

The ELLRB unanimously agreed that the following conditions were attached to planning consent for planning application 18/00031/P:

1. Within four months from the date on the Review Decision Notice, the following alterations shall be made to the vehicular access hereby approved and its associated area of hardstanding:

a) The existing stone roadside wall on the north side of the existing vehicular access shall be retained and also extended southwards for a further 1.2 metres. The extended section of wall shall be constructed of natural stone to match that of the existing wall; and

b) The area of hardstanding shall be extended such that it is nine metres wide and six metres deep.

Details of these proposed alterations to the vehicular access hereby approved and its associated hardstanding area shall be submitted to and approved by the Planning Authority in advance of any development commencing. The submitted details shall demonstrate that one parking space shall be retained within the parking layby immediately to the east of the application site. The submitted details shall also show how vehicles are able to access and egress the application site in a forward gear.

A sample of the natural stone to be used shall be submitted to and approved in advance by the Planning Authority. Development shall thereafter be carried out in accordance with the details and sample so approved.

Reason:

In the interest of road safety and parking provision in the surrounding area, and in the interests of the visual amenity of the area.

2. PLANNING APPLICATION 18/00085/P – REVIEW AGAINST CONDITION ALTERATION TO WALL AT 34 GOSFORD ROAD, PORT SETON

The Chair invited the Planning Adviser, who had had no involvement in the original decision, to present a summary of the planning policy considerations in this case.

Iain McFarlane, Planning Adviser, advised that this application related to a detached house on the southern side of Gosford Road, Port Seton for which the applicant sought retrospective consent for alterations already carried out to the roadside boundary wall enclosing the front garden, and for gate piers which had been erected as part of the roadside boundary.

The Planning Adviser stated that this planning application had been granted planning consent on 11 May 2018 subject to one condition, which required the wet dash render on the side of the wall facing Gosford Road to be painted in a darker colour to match the adjacent roadside boundary walls.

The Planning Adviser advised that the rendered portion of the applicant's boundary wall had been painted in an off-white colour. He also advised that, on the site visit, it was evident that there were a few properties on the north side of Gosford Road, which had walls painted in a light colour. Those properties are listed buildings. He confirmed that no complaints had been received in relation to these properties and there were no reports of unauthorised development. He further advised that it could be the case that these walls had been originally painted prior to that terrace of houses being listed or the conservation area being designated and that repainting of them may have been like for like maintenance not requiring planning permission.

The Planning Adviser stated that three complaints had been received in relation to this application and objections related to the wall being out of keeping with other walls in the area, which were mostly constructed from natural stone. He advised Members that it was now open to them to consider the application afresh or to decide if it was appropriate for the walls to be painted in a darker colour.

The Chair thanked the Planning Adviser for his presentation and questions followed. In response to a question from the Chair, the Planning Adviser stated that some of the buildings on Gosford Road, both north and south, might be Listed Buildings, but the property at number 34 was not a Listed Building. He also confirmed that Listed Buildings status was most likely to extend to the walls of any such properties in Gosford Road, as an important characteristic of the road was its immediate street frontage. The Chair asked if any action could be taken with regard to other properties in Gosford Road which had boundary walls painted in a light colour, as this would have a bearing on how they should determine the subject of this application. The Planning Adviser replied that planning officers could investigate and take action where appropriate to have walls restored to the predominant darker shade. Councillor Gilbert enquired about the gate piers and was advised that the condition attached to planning consent did not require the gate piers to be rendered and painted in the same dark colour as the walls.

The Chair asked his colleagues if they now had sufficient information to proceed to determine the application today and they unanimously agreed to proceed. Comments on the application followed.

Councillor Gilbert considered that the boundary wall in its present form looked incongruous in the context of the natural stone boundary walls which stretch along both sides of Gosford Road. He considered that the wall and also the gate piers ought to be rendered and painted in a dark shade and was therefore minded to uphold the original decision of the Case Officer.

Councillor Kempson was similarly minded, describing the wall as conspicuous in its present form. She was also concerned that it would set an undesirable precedent for the street.

The Chair shared the view of his colleagues and wished to see the wall and also the gate piers rendered and painted in a dark shade acceptable to planning officers.

Decision

The ELLRB unanimously agreed that the following condition is attached to planning consent for planning application 18/00085/P:

1. Within 2 months of the date on the Review Decision Notice, the brick gate piers of the wall shall be rendered to match the render on the wall and the wet dash render on the side of the wall facing Gosford Road (denoted as 'ELEVATION A' on docketed drawing no. 2018-GJM-JR-PL-001-0A) and on the faces of the gate piers shall be painted in a darker colour to match that of the adjacent roadside stone boundary walls. Prior to the repainting of the wet dash render, details of the paint colour for the repainting shall be submitted to and approved by the Planning Authority. Development shall hereafter be carried out in accordance with the details so approved.

Reason: In the interest of the visual amenity of the area.

Signed

Councillor W Innes
Convener of Local Review Body (Planning)

REPORT TO: East Lothian Council
MEETING DATE: 11 December 2018
BY: Chief Executive
SUBJECT: Best Value Assurance Report

3

1 PURPOSE

- 1.1 To advise Council of the findings and recommendations of the Accounts Commission's Best Value Assurance Report on East Lothian Council and seek approval for the response and improvement action plan arising from the report.

2 RECOMMENDATIONS

- 2.1 Council is asked to note the Best Value Assurance Report and the Accounts Commission's Findings (available in the Members' Library, Ref: 176/18, December 2018 Bulletin).
- 2.2 Council is asked to approve the Improvement Plan which addresses the recommendations made in the Best Value Assurance Report and note that progress on implementing the Improvement Plan will be presented to Council during 2019.

3 BACKGROUND

- 3.1 Audit Scotland carried out a Best Value Assurance review of East Lothian Council in spring 2018. The review focused on four main areas:
- Leadership, governance and scrutiny: vision, priorities, member and officer roles and responsibilities
 - Outcomes and performance: overall assessment of outcomes, performance and public reporting with a particular focus on delivery of the Council's priorities as set out in the Council Plan 2012-2017, including education performance
 - Improvement: self-evaluation, change/ transformation plans and programmes

- Partnership working: Community Planning Partnership and community empowerment.
- 3.2 The review was carried out by a team of auditors and best value auditors from Audit Scotland and involved extensive review of documentation and interviews with elected members, council officials and partners. A draft report was produced in August and a final report was considered by the Accounts Commission in October. The Council received the final report along with the Accounts Commission's findings on 1 November 2018. The report has been lodged in the Members' Library Reference: 176/18, and also can be downloaded from the Audit Scotland website: <http://www.audit-scotland.gov.uk/report/best-value-assurance-report-east-lothian-council>
- 3.3 The report concludes that the Council has improved significantly in the 11 years since the Council's last Best Value Audit, in particular in relation to governance arrangements, decision-making processes, leadership and scrutiny. Other key points in the report include:
- The council has delivered and planned for further local population growth, with a well-supported vision and improvement framework. Improvement activity and embracing new technologies is being taken forward through its Transformation Programme
 - Financial management is effective with a budget-setting process focused on the council's priorities - growing our economy, growing our people, growing our communities and growing our capacity
 - Strong links are in place with partners and the council works well and engages effectively with local communities
 - Most local residents are happy with our services, with high overall satisfaction
 - The council is achieving or exceeding its targets for most indicators and performance compares favourably to other councils in the majority of services
 - It is vital that the council maintain the pace of change to deliver expected outcomes.
- 3.4 The report includes a set of recommendations for the Council. These are detailed below with a short commentary on what action the Council is already taking or plans to take in response.
- Recommendation 1: Ensure that performance reporting arrangements are more coherent and better aligned to demonstrating the delivery of the council's vision, supporting objectives, service performance and savings plans***
- 3.5 *Rec 1.1 Work with the East Lothian Partnership to agree outcome measures and report on progress in reducing inequalities and supporting the economy*

This work is already well underway to develop agreed outcome measures and report progress on reducing inequalities and supporting the economy. The 2018 Corporate Governance Self-evaluation identified the need to review all performance indicators and the way they are reported. A small set of indicators to measure progress in achieving the Council Plan's outcomes and strategic goals including those that relating to reducing inequalities and growing the economy.

The East Lothian Partnership Governance Group has agreed a set of high level indicators for the East Lothian Plan including outcome indicators for reducing poverty and growing the economy.

The revised Economic Development Strategy, approved by Cabinet (13 November 2018), includes indicators to measure the achievement of the strategies objectives of growing the business base and the number of people employed in East Lothian.

The Council and NHS are due to publish a report on local actions to reduce Child Poverty in June 2019.

- 3.6 *Rec 1.2 Report the benefits of the Transformation Programme projects are having for customers and communities; and the savings that are being realised*

All Transformation Programme project plans include details of projected benefits to customers and communities and, if appropriate, projected savings. Once projects have been completed evaluation is carried out to ensure that the benefits and savings are realised.

- 3.7 *Rec 1.3 Continue to focus on improving education performance for all children and young people in East Lothian*

The Council, our partners, Education Service and all schools are fully committed to, and focussed on, improving education performance. This is evidenced in the Council Plan strategic goals to reduce the attainment gap and raise the achievement of our children and young people, the Education Service Improvement Plan and individual School Improvement Plans.

- 3.8 *Rec 1.4 Build on good arrangements for scrutiny by ensuring reports are free of jargon, clear on purpose and provide the information elected members need to scrutinise effectively*

The chairs and members of the Audit & Governance and Policy & Performance Review Committees play an active role in setting the agendas for the Committees and are able to request reports on any relevant matter.

Officers will continue to consult Elected Members in reviewing which indicators are reported to the Policy & Performance Review Committee and on the content of reports. Member briefings on the quarterly performance reports give Members the opportunity to request clarification or additional information.

The survey of Elected Members' training and development needs (June 2018) is being used to inform future Members' training and briefings. The Guide to

Scrutiny & Review (June 2017) is being revised and will be issued to Members in early 2019.

Recommendation 2: Develop more detailed plans linked to its longer-term financial strategy and to delivering the savings required

- 3.9 *Rec 2.1 Ensure the Transformation Programme delivers the expected benefits within the planned timeframe and prioritise the projects most likely to lead to major change*

The Transformation Programme – service delivery changes and exploiting digital / new technology opportunities – is being embedded within services. The Programme Team provides additional support to services as required to provide increased capacity to deliver significant change projects.

The delivery of Transformation activity is monitored and reviewed regularly by the Chief Executive and other senior officers to ensure it delivers expected benefits within the planned timeframe.

The progress of, and financial benefits achieved by, transformation activity are reported to elected members through the quarterly financial reports to Council and updates are provided to Policy Performance & Review committee and the Joint Consultative Committee.

Any transformation proposals requiring policy or financial decisions by elected members are brought to Cabinet or Council for decision.

- 3.10 *Rec 2.2 Prepare individual service workforce plans to support the high level Workforce Plan implementation plan to help the council consider in more detail how it will manage changes in services and staffing levels*

Workforce planning and 'Efficient Workforce Management' have been established elements of service planning and financial management for many years.

The Workforce Plan that was adopted by Council in June 2018 provides a 'One Council' analysis and approach to workforce planning and established a comprehensive action plan to achieve the council's workforce vision. The development of service workforce plans is the first action in the Workforce Plan's Implementation Plan and work is underway to ensure that services that require their own specific workforce will have them in place by spring 2019.

The Council has been working with Investor in People to ensure that our policies and practices meet the IIP and Investor in Young people standards and has achieved the Silver standard in IIP and the Gold in IIYP. The improvement actions identified by the IIP and IIYP assessments helped inform the Council's Workforce Plan.

Recommendation 3: Continue to focus on working with communities

- 3.11 *Rec 3.1 Ensure community and third sector organisations, such as charities and voluntary groups, have the opportunity to shape council strategic planning at an earlier stage*

The council is committed to continue to engage with community and third sector organisations in the development of strategic plans at the earliest opportunity.

- 3.12 *Rec 3.2 Continue to support the local Area Partnerships to focus on priority actions within their Local Area Plans*

The council will continue to support Area Partnerships to focus on priority actions within their Area Plans. All Area Partnerships are developing Locality Plans with agreed priority actions focussed on reducing inequalities within and between communities.

- 3.13 *Rec 3.3 Coordinate consultation activity through its People Voice framework and tell local people how it has used their feedback*

The Council is updating our approach to consultation and engagement which will support the coordination of consultation activity and ensure that feedback is provided on all consultation exercises.

- 3.14 The Accounts Commission issued a set of findings based on the Best Value Assurance Report and its recommendations:

- The Commission accepts the Controller of Audit's report on Best Value in East Lothian Council. We endorse the recommendations set out by the Controller of Audit in his report and expect the council to act upon them.
- In our previous Best Value Audit report in 2007, we expressed our concern about the limited progress made by the council in establishing Best Value. We are therefore pleased to note a significant improvement in how the council is now demonstrating Best Value. We also note, however, that some improvement actions are at an early stage and will require continued momentum to achieve the expected outcomes.
- The council shows good self-awareness in its assessment of how it can improve. We note however the substantial risks and challenges faced by the council in dealing with the demands of a rapidly growing population in East Lothian. It is vital that the council maintains the pace of change and delivers, with its partners, the aspirations set out in the local development plan, including its focus on local economic development.
- We commend the council for putting in place a five-year financial strategy and a corporate workforce plan. These are relatively recent and need now to be implemented. Clearer prioritisation and robust appraisal of options in the Transformation Programme will be crucial components in the way forward to help deliver required savings. We also note in particular the need for continuing improvement in education services.

- In facing its challenges, strong leadership by the council’s officers and elected members will be vital. Governance arrangements – including good support for member development, effective scrutiny by members, and improved reporting of performance to members and the public – will be an important basis of such leadership.
 - We underline the Controller of Audit’s recommendation that the council continues its focus on working with communities. Local area partnerships have good potential in helping empower communities and in helping the council identify how it will meet its challenges. Fulfilling this potential will rely on the council working well with its partners.
 - We will maintain our interest in the council’s progress. The Controller of Audit will monitor progress through the annual audit and update the Commission accordingly.
- 3.15 The Council has a duty to respond to the Commission’s findings and the recommendations set out in the report. As demonstrated in paragraphs 3.5 - 3.13 above the Council is already making significant progress in meeting the recommendations set out in the Best Value Assurance Report.
- 3.16 It should be noted that 2018 Corporate Governance Self-evaluation, which was reported to and approved by Cabinet in June 2018, identified eight areas of development and improvement, many of which reflect the recommendations made by the Accounts Commission reinforcing that we have good self-awareness.
- 3.17 An Improvement Plan (Dec 2018 – March 2020) outlining the actions that will be taken in order to respond to the Findings and Recommendations and incorporating the actions arising from the Corporate Governance Self-evaluation is set out in Appendix 1. Progress in achieving the Improvement Plan will be reported to Council during 2019.

4 POLICY IMPLICATIONS

- 4.1 The Best Value Assurance Report provides assurance that the Council has an established and effective approach to continuous improvement which ensures it meets its legal requirement to seek to achieve best value. There are no significant policy implications arising from the report’s recommendations or the Accounts Commission’s findings. Improvement actions arising from the recommendations and findings have been incorporated in the Council’s 2018 - 2020 Improvement Plan.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Integrated Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

6.1 Financial – none.

6.2 Personnel – none.

6.3 Other – none.

7 BACKGROUND PAPERS

7.1 East Lothian Council Best Value Assurance Report; Account Commission, October 2018: <http://www.audit-scotland.gov.uk/report/best-value-assurance-report-east-lothian-council>, also available at Members' Library Service Reference: 176/18 (December 2018 Bulletin)

7.2 Appendix 1: Council Improvement Plan 2018 - 2020

AUTHOR'S NAME	Paolo Vestri
DESIGNATION	Service Manager: Corporate Policy and Improvement
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DATE	30 th November 2018

APPENDIX 1: Council Improvement Plan (Dec 2018 – March 2020)

Council Improvement Plan (Dec 2018 – March 2020)

This Plan is based on recommendations and actions identified by the Best Value Assurance Report (BVAR) and the Council's Corporate Governance Self-Evaluation (CGSE)

	ACTION	SOURCE	LEAD OFFICERS	DEADLINE
1	<p>Implement the Council Workforce Plan. The implementation plan has 28 actions within 7 workstreams:</p> <ul style="list-style-type: none"> a) Workforce planning, including service workforce plans where relevant b) Employer of choice, including consideration of adopting a 'Staff Deal' c) PRD, performance and development d) Leadership and management development e) Wellbeing f) Recruitment, selection and retention g) Rewards and recognition 	BVAR CGSE	Service Manager Corporate Policy & Improvement	The Plan is a four year plan and each action in the Plan has been allocated a deadline within for completion within the timespan of the Plan
2	Review all performance indicators and adopt a small set of key indicators that measure progress in achieving the Council Plan outcomes and strategic goals and work with the East Lothian Partnership to agree outcome measures and report on progress in reducing inequalities and growing the economy	BVAR CGSE	Service Manager Corporate Policy & Improvement	March 2019
3	Review the format of the Council's Annual Report/ Annual Public Performance Report and how performance is reported to elected members	BVAR CGSE	Service Manager Corporate Policy & Improvement	March 2019

4	Revise and then implement the Council's Continuous Improvement Framework to take on board improvements identified through the Recognised for Excellence Assessment	CGSE	Service Manager Corporate Policy & Improvement	March 2019 through to March 2020
5	Revise and deploy an updated approach to consultation and engagement ensuring community and third sector organisations have opportunities to inform council policies, strategic plans and service improvement	BVAR CGSE	Service Manager Corporate Policy & Improvement	March 2019 through to March 2020
6	Continue to embed transformational change across the Council and ensure it delivers expected improvement and benefits within planned timeframes, prioritising projects that are most likely to lead to major change and significant benefits	BVAR	Chief Executive	March 2020
7	Continue to focus on improving education performance for all children and young people in East Lothian	BVAR	Head of Education	March 2020

REPORT TO: East Lothian Council
MEETING DATE: 11 December 2018
BY: Depute Chief Executive (Resources & People Services)
SUBJECT: 2018-19 Q2 Financial Review

4

1 PURPOSE

- 1.1 To inform Council of the financial position at the end of September 2018.

2 RECOMMENDATIONS

- 2.1 The Council is asked to note the financial performance at the end of the second quarter of 2018-19 against approved budgets.

3 BACKGROUND

- 3.1 At its meeting on 13 February 2018 the Council approved a budget for 2018-19 for both General Services and Housing Revenue Account (HRA) revenue and capital, and outline budgets for the subsequent two financial years.

General Services Summary – Quarter 2

- 3.2 The approved General Services revenue budget for 2018-19 included the following:
- After providing for £23.5 million of corporate commitments, funding amounting to over £213 million to support service delivery;
 - Utilisation of £2.140 million of General Reserves;
 - The requirement to deliver over £5 million of recurring planned efficiencies.
- 3.3 This report sets out the financial position for the Council as at the end of September 2018 against the approved budgets. An analysis of the

financial position across service groups is set out in **Appendix 1** with further detail summarised below.

- 3.4 Within this, an overall financial risk rating has been assigned to each of the service areas based on a review of current expenditure and known financial pressures, as set out in **Appendix 2**. Three service areas – Children’s Wellbeing, Adult Wellbeing and ASL – have been categorised as High Risk suggesting there is a high degree of certainty that the services will not operate within approved budgets. In accordance with Standing Orders, respective Heads of Service have been asked to consider what steps can be taken to constrain costs and operate within budget.
- 3.5 Five service areas: Secondary Schools; Facilities Services; Asset Planning & Engineering; Roads Services and Roads Network have been categorised as Medium Risk, indicating that there is significant potential that these service areas will incur an overspend against approved budget during the year. Planning & Community Housing has now been reclassified from Medium to Low Risk albeit that there remains some risk within both service areas relating to the timing of planning fee income and demands for homelessness that we will continue to monitor during the year.
- 3.6 We will continue to work closely with those service areas categorised as High or Medium Risk in an attempt to ensure financial commitments are delivered within available resources. Given that the financial projections remain exceptionally challenging; all service areas will be kept closely reviewed during the remainder of the financial year.
- 3.7 The summary below sets out the key challenges and risks across each of the Directorates.
- 3.8 The **Resources and People Directorate** is reporting an underspend of £0.796 million (1.6%). The **Education Group** covering; Pre-school, ASL, Primary, Secondary and School Support is reporting a collective underspend of £0.317 million (0.7%); however, forecasts indicate that Group will deliver a slight overspend.
- The Pre-School budget is currently reporting an underspend of £0.258 million (4.8%) most of which relates to staffing underspends. Work has been ongoing within the Council to revise the current expansion plans in line with available resource to support the new national policy requirement to deliver 1140 hours of early learning and childcare.
 - Pressures remain within the ASL budget. The position as at September 2018 is an overspend of £0.305 million (5.5%) with projections indicating that this overspend is likely to increase further by the end of the financial year. Most of the pressures relate to transport and the provision of an increased number of external placements and work is ongoing to mitigate these pressures. This area is under regular review due to both the numbers and complexity of children requiring support needs. Given the scale of the financial pressures and current

projections, this service has now been categorised as High Risk, and the Head of Education is currently preparing a Cost Recovery Plan and implement enhanced financial controls in order to mitigate and manage the current overspending.

- It is expected that most of the Primary Schools will operate within approved carry forward limits, however three out of the six Secondary schools are currently forecasting an overspend position. We will work with the Head of Education and respective Head Teachers to manage these budgets within available resources and in accordance with the Devolved School Management scheme.
- Across Council Resources, all of the service areas are reporting a collective underspend position of £0.479 million, and this position is forecast to continue during 2018-19, largely relating to the non-filling of vacancies.

3.9 The **Health & Social Care Directorate** (covering Children's, Adults & Older People) is reporting an overspend of £1.614 million (5.5%), with forecasts for the year suggesting that this could increase to around £3.0 million. All service areas with the Directorate have been categorised as High Risk and cost recovery plans and enhanced financial controls are now in place in an effort to bring spending within budget.

- Within Children's, the service is reporting an overspend of £0.852 million (12.4%), with forecasts suggesting that this overspend could double by end of March 2019. The main pressures are due to increased demand and average costs for residential school and secure accommodation placements. Additional investment was provided in 2018/19 to increase internal fostering provision and other early interventions that will, if successful, help minimise future escalation of costs. Despite some compensating underspends across the service, it remains highly unlikely that the service will be able to contain costs within available budgets. Work is ongoing to consider options to mitigate the impact of these cost pressures both in year, and in the future.
- Within Adults and Older People, a collective overspend of £0.762 million (3.4%) is reported, with forecasts suggesting that this could increase further by the end of the financial year. The main cost pressures relate to commissioned care costs in Care Homes, Care at Home and Community Support, with increasing demand pressures from clients with Physical and Learning Disabilities. Current projections indicate that it remains highly unlikely that these pressures will be contained within existing budgets. However, while there is evidence around improved patient outcomes, this is coming at an increasing cost to council services. In order to mitigate this pressure discussions are ongoing with the IJB and NHS Lothian to fully consider the financial implications arising from the agreed policy drive to shift the balance of care towards the community sector and to develop a framework to

ensure that appropriate resource transfer takes place in a timely manner.

3.10 Within the **Partnership & Community Services** budgets are reporting an underspend of £0.732 million (3.0%), with forecasts suggesting that whilst an underspend is likely to continue until the end of the year, it will not be at the same level as is currently reported due to known pressures within service areas. Four service areas within this Directorate are categorised as 'Medium Risk'; Facilities Services, Asset Planning & Engineering, Roads Network and Roads Trading, with more detail set out below.

- Facilities Services are currently reporting an overspend of £0.111 million (4.9%), with forecasts suggesting that this overspend is likely to increase further by the end of the financial year. Most of this relates to planned savings within Public Conveniences that are unlikely to be fully achieved.
- The Asset Planning & Engineering services include a number of specific service areas including Estates, Investment Properties, Building Standards and Engineering Services, Strategic Asset Management and General Fund Property Repairs. In total, the service is operating within budget, but there remains a continued pressure on the wider property estates portfolio to support repairs and maintenance on our existing asset base. In addition, unplanned critical work is now required at Randall House, and this will place additional pressure on the wider budget. This budget will continue to be closely monitored during the remainder of the year.
- Roads Network includes both Decriminalised Parking (DPE) and Coastal Car Parking. As at September 2018, the service is reporting an overspend of £0.085 million. Most of this is caused by under-recovery of income relating to Coastal Car Parking; however, we are continuing to see some signs of improvement relating to income collection.
- Roads Services (Trading Activity) is currently reporting a small overspend with current forecasts suggesting that overall this area will deliver within planned budget levels. Nevertheless, this area is at risk to any impact arising from adverse winter weather conditions and during the remainder of this year, this will continue to be closely monitored.

3.11 The Council remains at risk from a number of potential cost pressures that are not yet reflected in the forecast position, including pay inflation. The 2018 annual pay award, effective from 1 April 2018, has not been agreed for any of the component staff groups. Although provision has been made within budgets in accordance with the Scottish Government's public sector pay strategy, it must be noted that should any awards be made in excess of this level, this would place a significant strain upon Council finances and it would be highly unlikely this could be contained within existing budgetary levels.

3.12 We also continue to provide an assessment of progress in implementing planned efficiencies, and this is set out in more detail within **Appendix 2** of the report. The current “RAG” status for 2018/19 is:

- £2.754 million (55%) are achieved and are assessed as “Green”.
- £1.770 million (35%) have plans in place and are expected to be achieved, they are assessed as “Amber”. These efficiencies are subject to on-going monitoring during the year.
- £0.493 million (10%) of savings are unlikely to be achieved and are assessed as “Red”. Heads of Service are working to secure the delivery of savings of an equivalent value in 2018/19 in order to mitigate this pressure.

3.13 Overall, the Council continues to operate within an extremely challenging financial climate and notwithstanding ongoing efforts made to constrain costs; the Council is likely to overspend this financial year. The Corporate Management Team (CMT) remains actively engaged around the financial position of the Council including the delivery of planned efficiency savings, and are seeking alternative proposals to ensure that as much as possible, wider Council expenditure can be delivered within approved budget levels. Whilst overall the financial position recorded at the end of September 2018 shows a slight recorded underspend of £0.252 million, the financial forecasts for the year continue to indicate that overall the Council continues to be at high risk of overspending with current estimates suggesting this could be between £1 and £2 million. Officers, led by CMT, are working on a wide number of options to mitigate the impact of the overspending during the year, which includes a wider review of all areas of Council expenditure.

Housing Revenue Account Summary - Quarter Two

Revenue

3.14 At the end of September 2018 the Housing Revenue Account reported an underspend against planned budget of £0.929 million (12%). This position reflects higher than anticipated income, and underspends on most of the operational revenue budgets, employee costs due to vacancies, and anticipated reduction in debt charges due to savings on borrowing.

3.15 In line with the existing Financial Strategy whereby the Council should maximise any flexibility arising from revenue balance to minimise the future impact on debt charges, it is anticipated that any additional surplus arising during 2018-19 will be applied in this manner.

Capital

3.16 Details of the Housing Revenue Account capital budgets and expenditure incurred to date is set out in **Appendix 3** of this report. The total capital budget approved for HRA was £24.364 million including fees and mortgage to rent purchases. At end of September 2018 the actual spend incurred was £5.468 million (22%). At this stage, it is estimated that

majority of this budget will be spent, with an underspend currently forecast on the Modernisation Programme of around £1.2 million that may be partially offset by an overspend on the Affordable Housing programme. Reduced staff resources remains a significant constraint in seeking to deliver the full modernisation expenditure budget; however, a service review is currently being implemented which will address the staffing shortages in this area. Most of this underspend relates to the following areas:

- Planned kitchen programme is likely to deliver an underspend against budget of £0.200 million, this is partly due to an increased focus on void properties through the voids policy review, ensuring that these are turned over in as short a timescale as possible. Kitchen completions are projected at around 462 new kitchens in this financial year;
- Underspending on project works of around £0.225 million, most of which has been earmarked for specific projects which are now likely to come forward next financial year.
- Delays in planned roofing projects, with contractors expected to be on site late in Quarter 4, and unlikely to be fully spent in this financial year.

3.17 Despite relatively low spend to date (£0.613 million) on the Affordable Housing Programme, current forecasts suggest that this budget will be slightly overspent by the end of the financial year. Much of the planned spend is profiled in the last quarter of this financial year, and there are risks around the projected spend on the programme due to the timing of new build completions and completion of land purchase transactions. This overspend will also attract higher than anticipated grant income of around £1.6 million received from Scottish Government.

3.18 To date there has been no Mortgage to Rent applications and it is anticipated that this position will remain to the end of the financial year.

General Services Capital Summary – Quarter One

3.19 There has been further re-profiling of the capital budget. This is an ongoing process to ensure that in particular, the delivery of improvements to the education estate remain aligned to related delivery of expected housing completions, the precise timing of which are typically out of the council's direct control.

3.20 **Appendix 4** sets out the 2018-19 re-profiled budgeted expenditure to the end of September 2018 with actual expenditure currently totalling £17.1 million. The gross projected spend for the full financial year is £44.6 million, and net borrowing requirement under planned budget and outturn at £19.1 million. **Appendix 4** also provides cumulative project spend on 2018-19 projects. The cumulative position excludes recurring annual budgets such as Roads, IT and Fleet.

3.21 The summary table below provides a narrative of the status of key capital projects.

Project	Narrative
Community Projects	<p>Support for Business / Town Centre Regeneration – No spend expected on this project in current year due to extended consultation period.</p>
ICT	<p>Corporate Booking System - This project is now being taken forward under the replacement CRM Project.</p> <p>Replacement CRM Project - Contract has now been awarded, go live date targeted end March 2019, all budgeted spend expected to have occurred by this date if target met.</p>
Fleet	<p>Vehicles – Now receiving deliveries of vehicles per replacement plan for current year.</p>
Open Space	<p>Cemeteries – anticipated purchase of one site with planning permission has been lodged for one further site. Spend anticipated to be on budget at both sites for this year.</p> <p>Coastal/Flood Protection –</p> <p>Musselburgh - Timing of ecology surveys has been amended, majority of these surveys are to take place in 19/20.</p> <p>Haddington - Lidar and topographical surveys to take place in 18/19. Design to commence after surveys completed.</p> <p>Coastal Car Parks/Toilets – Project scope under review. No significant spend likely during 18/19.</p> <p>Mains Farm Sports Pitch & Pavilion - Rugby Pitch and play area are in process of delivery. Due to design stage taking longer than originally estimated, the pavilion is now anticipated to be delivered during 19/20.</p> <p>Waste – New housing completions and replacement requests has resulted in a projected overspend against budget provision. Some of this is likely to be offset by underspend on machinery in 18/19.</p>
Roads, Lighting and related Assets	<p>Parking Improvements - Now on site at Longniddry. Other works are currently delayed due to a review of legal agreements related to the sites.</p> <p>Roads – Current projections indicate an underspend against planned budget.</p> <p>Roads – Externally Funded projects – Budget has increased significantly due to £0.577 million additional funding for electric charging points. This budget also includes projects which are fully funded by Sustrans.</p>

Project	Narrative
Property – Education	<p>Aberlady Primary – Client team have been working with Environmental Health team in order to resolve issues surrounding the proposed design/construction. Majority of spend now expected in 19/20.</p> <p>Dunbar Grammar – Contractual issues resulted in delays to the start of the project, resulting in additional costs. School building has been partially handed over in August with additional works continuing and anticipated complete hand over by end of December 2018.</p> <p>Gullane Primary – expected spend has increased due to redesign of project to include an Early Learning facility within the school as part of the Council’s Early Years Expansion Programme. This increase will be supported by related Scottish Government grant income.</p> <p>Law Primary - Project complete and handed over, overspend mainly due to changes to roof and steel structural design.</p> <p>New Wallyford Primary - Works on target to be complete by the end of the current financial year.</p> <p>Pinkie St Peters – Project costs have increased due to updated materials and design under auspices of Early Years Expansion Programme. The increase will be supported by related Scottish Government grant income.</p> <p>Prestonpans Infant School - Potential overspend at school site due to grouting of former mine tunnels under proposed building site. No work can commence until voids filled. Expected overspend on project as a whole, with some spend mitigated in year due to reduced building works being carried out.</p>
Property – Other	<p>Brunton Hall Improved Community Access – It is not anticipated any spend will be undertaken in 18/19 as options continue to be explored to identify best use for community.</p> <p>Haddington Corn Exchange – Project due out to tender, with work programme scheduled to start in early 2019, and full budget due to be spent.</p> <p>Port Seton Community Centre - Project currently out to tender. Work likely to be under budget this year due to extended tendering process, but overall project anticipated to be on time and budget.</p>

Project	Narrative
	<p>Whitecraig Community Centre - Contractor appointed and now on site. Spend is anticipated to be lower than anticipated this year due to timing of contractor's appointment, but overall project is anticipated to be delivered on time and budget.</p>

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications associated with this report. Monitoring and reporting of the Council's financial performance is a key part of the approved Financial Strategy.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report has been considered and given there is no change in policy direction, there is no requirement to undertake any further impact assessment.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – as described above
6.2 Personnel - none
6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Council 19 December 2017 – Item 4 – Financial Strategy 2018-23
7.2 Council 13 February 2018 – Item 2a – Administration Amendment General Services budget proposals
7.3 Council 13 February 2018 – Item 3 – Rent Proposals
7.4 Council 28 August 2018 – Item 5 – Quarter 1 Financial Review

AUTHOR'S NAME	Jim Lamond
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DATE	26 November 2018

Budget Monitoring 2018/19

Service	Head of Service	Business Unit	2018/19 Budget £'000	Year to Date				Financial Risk Assessment
				2018/19 Actual to Date	2018/19 Budget to Date	2018/19 Budget Variance to Date	Variance	
				£'000	£'000	£'000	%	
Resources & People	Education	Pre-school Education & Childcare	7,209	5,040	5,298	-258	-4.9%	Low
Resources & People	Education	Additional Support for Learning	7,789	5,839	5,534	305	5.5%	High
Resources & People	Education	Schools - Primary	36,850	16,215	16,347	-132	-0.8%	Medium
Resources & People	Education	Schools - Secondary	39,118	17,978	18,190	-212	-1.2%	Low
Resources & People	Education	Schools - Support Services	2,139	1,273	1,293	-20	-1.5%	Low
RESOURCES & PEOPLE	EDUCATION TOTAL		93,105	46,345	46,662	-317	-0.7%	
Resources & People	Council Resources	Financial Services	1,650	264	391	-127	-32.5%	Low
Resources & People	Council Resources	Revenues & Benefits	1,923	383	508	-125	-24.6%	Low
Resources & People	Council Resources	IT Services	2,012	775	870	-95	-10.9%	Low
Resources & People	Council Resources	Legal & Procurement	539	457	460	-3	-0.7%	Low
Resources & People	Council Resources	Human Resources & Payroll	1,506	713	768	-55	-7.2%	Low
Resources & People	Council Resources	Licensing, Admin & Democratic Services	3,452	1,599	1,673	-74	-4.4%	Low
RESOURCES & PEOPLE	COUNCIL RESOURCES TOTAL		11,082	4,191	4,670	-479	-10.3%	
RESOURCES & PEOPLE TOTAL			104,187	50,536	51,332	-796	-1.6%	
Health & Social Care Partnership	Childrens & Adults	Childrens	13,859	7,714	6,862	852	12.4%	High
Health & Social Care Partnership	Childrens & Adults	Adults	19,391	6,912	6,637	275	4.1%	High
Health & Social Care Partnership	Access & Older People	Older People	31,691	16,600	16,113	487	3.0%	High
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			64,941	31,226	29,612	1,614	5.5%	
Partnerships & Community Services	Development	Planning	1,116	700	740	-40	-5.4%	Low
Partnerships & Community Services	Development	Economic Development & Strategic Investm	3,052	1,301	1,485	-184	-12.4%	Low
Partnerships & Community Services	Development	Property Maintenance Trading Account	-763	-468	-479	11	-2.3%	Low
Partnerships & Community Services	Development	Community Housing	1,979	1,220	1,349	-129	-9.6%	Low
PARTNERSHIPS & COMMUNITIES SERVICES	DEVELOPMENT TOTAL		5,384	2,753	3,095	-342	-11.1%	
Partnerships & Community Services	Infrastructure	Facility Support Services	3,362	2,368	2,257	111	4.9%	Medium
Partnerships & Community Services	Infrastructure	Facility Trading Activity	-205	-1,766	-1,739	-27	1.6%	Low
Partnerships & Community Services	Infrastructure	Asset Planning & Engineering	2,346	2,142	2,138	4	0.2%	Medium
Partnerships & Community Services	Infrastructure	Landscape & Countryside Management	4,863	3,497	3,461	36	1.0%	Low
Partnerships & Community Services	Infrastructure	Roads Network	4,428	1,930	1,845	85	4.6%	Medium
Partnerships & Community Services	Infrastructure	Roads Trading Activity	-763	-47	-107	60	-56.1%	Medium
Partnerships & Community Services	Infrastructure	Transportation	1,163	-185	-102	-83	81.4%	Low
Partnerships & Community Services	Infrastructure	Waste Services	7,331	3,375	3,482	-107	-3.1%	Low
Partnerships & Community Services	Infrastructure	Healthy Living	3,429	1,552	1,560	-8	-0.5%	Low
PARTNERSHIPS & COMMUNITIES SERVICES	INFRASTRUCTURE TOTAL		25,954	12,866	12,795	71	0.6%	
Partnerships & Community Services	Communities & Partnerships	Corporate Policy & Improvement	969	540	589	-49	-8.3%	Low
Partnerships & Community Services	Communities & Partnerships	Community & Area Partnerships	7,147	3,692	3,981	-289	-7.3%	Low
Partnerships & Community Services	Communities & Partnerships	Protective Services	1,090	1,189	1,178	11	0.9%	Low
Partnerships & Community Services	Communities & Partnerships	Trading Standards	162	71	84	-13	-15.5%	Low
Partnerships & Community Services	Communities & Partnerships	Arts Development	689	174	208	-34	-16.3%	Low
Partnerships & Community Services	Communities & Partnerships	Customer Services Group	3,018	2,020	2,107	-87	-4.1%	Low
PARTNERSHIPS & COMMUNITIES SERVICES	COMMUNITIES & PARTNERSHIPS TOTAL		13,075	7,686	8,147	-461	-5.7%	
PARTNERSHIPS & COMMUNITY SERVICES TOTAL			44,413	23,305	24,037	-732	-3.0%	
SERVICE TOTAL			213,541	105,067	104,981	86	0.1%	
Corporate Management		Asset Management	15,708	5,331	5,627	-296	-5.3%	Low
Corporate Management		Corporate Income	-233,663	-132,579	-132,523	-56	0.0%	Low
Corporate Management		External Audit	312	-14	0	-14	0.0%	Low
Corporate Management		Housing Benefit	1,380	347	325	22	6.8%	Low
Corporate Management		Renewable Energy	-71	-32	-32	0	0.0%	Low
Corporate Management		Valuation Joint Board	636	318	318	0	0.0%	Low
Corporate Management		Cycle to Work Scheme	0	22	22	0	0.0%	Low
Corporate Management		Childcare Vouchers	0	-25	-25	0	0.0%	Low
Corporate Management		Car Salary Sacrifice Scheme	0	107	107	0	0.0%	Low
Corporate Management		Pupil Equity Fund	0	0	0	0	0.0%	Low
Corporate Management		Criminal Justice Social Work Funding	1,146	0	0	0	0.0%	Low
Corporate Management		Apprenticeship Levy	508	216	212	4	1.9%	Low
Corporate Management		Pension Reserve	503	210	210	0	0.0%	Low
CORPORATE MANAGEMENT TOTAL			-213,541	-126,099	-125,759	-340	0.3%	
TOTAL GENERAL SERVICES			0	-21,032	-20,778	-254		
TOTAL HRA			0	-8,702	-7,773	-929	12.0%	Low

2018-19 Q2 Financial Review - Appendix 2

Delivery of approved Budget Efficiencies

Service	2018-19		
	Achieved	Achievable	TBC
	£'000	£'000	£'000
Education	652	377	157
Council Resources	172	47	0
H&SCP	781	470	0
Communities	367	31	0
Development	141	67	0
Infrastructure	641	441	73
Corporate	0	337	263
Total	2,754	1,770	493

Savings Currently Red

Service	Proposal	Value £'000	Comments
Education	Review of School Family Support Workers	126	Saving unlikely to be delivered in 2018-19
Education	Service review of schools based technician service	31	Saving unlikely to be delivered in 2018-19
Facilities Management	Review of toilets	52	Balance of saving unlikely to be delivered in 2018-19
Facilities Management	Review of mailroom provision	21	Balance of saving unlikely to be delivered in 2018-19
Corporate	Transformation	263	Balance of saving unlikely to be delivered in 2018-19
Total		493	

2018-19 Q2 Financial Review - Appendix 3

HRA Capital Programme

	2018/19 Budget (£'000)	Actual September 2018 (£000s)	Over/(Under) (£000s) Notes
Modernisation Spend	11,297	4,855	(6,442)
New Affordable and Council Housing	11,010	613	(10,397)
Mortgage to Rent	769	0	(769)
Fees	1,288	0	(1,288) Allocated at financial year end
Gross Total Housing Capital Spend	24,364	5,468	(18,896)

2018-19 Q2 Financial Review - Appendix 4

General Fund Capital

<u>Key - project lifecycle indication</u>		<u>Key - project status</u>	
1 - Feasibility	1	Project proceeding as planned	✓
2 - Design	2	Additional information - please refer to narrative	*
3 - Out to tender	3	Project not yet started	—
4 - Tender Accepted	4		
5 - Under Construction	5		
6 - Operational/Retention	6		
7 - Annual Budget allocation	7		

Please note:
Project spend columns - only spend on capital projects that extend across years shown, not annual budget allocations.

<u>Annual (In-Year)</u>				<u>Cumulative (Totals)</u>				<u>Project lifecycle indication</u>	<u>Project Status</u>
<u>Budget 2018 /19</u>	<u>Actual 2018 /19</u>	<u>Projected Outturn 2018 /19</u>	<u>Budget-Projected Variance 2018 /19</u>	<u>Total Project Budget</u>	<u>Total Project Spend</u>	<u>Anticipated Project Outturn</u>	<u>Lifetime Budget-Projection Variance</u>		
<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>		
Expenditure									

<u>Community Projects</u>	<u>Budget 2018 /19</u>	<u>Actual 2018 /19</u>	<u>Projected Outturn 2018 /19</u>	<u>Budget-Projected Variance 2018 /19</u>	<u>Total Project Budget</u>	<u>Total Project Spend</u>	<u>Anticipated Project Outturn</u>	<u>Lifetime Budget-Projection Variance</u>	<u>Project lifecycle indication</u>	<u>Project Status</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>		
Community Intervention	200	88	194	(6)	-	-	-	-	7	✓
Support for Business / Town Centre Regeneration	905	-	47	(858)	3,301	224	3,301	-	1	*
Synthetic pitches	181	181	181	-	200	-	200	-	6	✓
Total Community Projects	1,285	269	422	(864)	3,502	224	3,502	-		

<u>ICT</u>	<u>Budget 2018 /19</u>	<u>Actual 2018 /19</u>	<u>Projected Outturn 2018 /19</u>	<u>Budget-Projected Variance 2018 /19</u>	<u>Total Project Budget</u>	<u>Total Project Spend</u>	<u>Anticipated Project Outturn</u>	<u>Lifetime Budget-Projection Variance</u>	<u>Project lifecycle indication</u>	<u>Project Status</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>		
IT Program	2,000	838	2,000	-	-	-	-	-	7	✓
Replacement - Corporate booking system	32	-	-	(32)	32	5	5	(27)	6	*
Replacement - CRM Project (Customer Services)	225	-	225	-	225	-	225	-	3	*
Social Care - IT - Retention	9	9	9	-	84	75	84	-	6	✓
Total ICT	2,266	847	2,234	(32)	341	79	313	(27)		

Fleet											
Amenties - Machinery & Equipment - replacement	100	104	104	4	-	-	-	-	7	✓	
Vehicles	1,365	204	1,348	(17)	-	-	-	-	7	*	
Total Fleet	1,465	308	1,452	(13)	-	-	-	-			
Open Space											
Cemeteries	440	-	440	-	927	-	927	-	2	*	
Coastal / Flood Protection schemes	1,308	111	939	(369)	17,637	384	17,637	-	2	*	
Coastal Car Park Toilets	434	5	13	(420)	600	-	600	-	2	*	
Core Path Plan	50	12	60	10	-	-	-	-	7	✓	
Mains Farm Sports Pitch & Pavilion	376	5	276	(100)	712	14	712	-	2	*	
Pavilions - Ormiston - Retention	53	36	53	-	766	701	755	(11)	6	✓	
Polson Park	12	13	13	1	162	13	162	-	1	✓	
Waste - New Bins	90	91	137	47	-	-	-	-	7	*	
Waste - Machinery & Equipment - replacement	40	4	15	(25)	-	-	-	-	7	*	
Total Open Space	2,804	278	1,946	(856)	20,804	1,112	20,793	(11)			
Roads, Lighting and related assets											
Cycling Walking Safer Streets	142	-	143	1	-	-	-	-	7	✓	
Parking Improvements	689	40	325	(364)	1,592	-	1,228	(365)	2	*	
Roads	6,009	2,090	5,706	(302)	-	-	-	-	7	*	
Roads - externally funded projects	297	215	1,195	898	-	-	-	-	7	*	
Total Roads, Lighting and related assets	7,137	2,346	7,369	233	1,592	-	1,228	(365)			
Property - Education											
Aberlady Primary - outdoor facility incl 1140	116	6	59	(57)	118	-	118	-	3	*	
Campie Primary - 1140	4	-	4	-	77	-	77	-	2	✓	
Dunbar Grammar - extension	5,374	4,113	5,613	239	10,331	4,869	10,570	239	5	*	
East Linton Primary - extension	-	19	19	19	1,169	-	1,267	98	2	✓	
East Saltoun Primary - 1140	8	-	8	-	247	-	147	(100)	2	✓	
Gullane Primary - extension	100	-	190	90	2,505	-	3,650	1,145	2	*	
Haddington Infant School - upgrades	264	136	264	-	270	-	270	-	5	✓	
Kings Meadow Primary - hosting	3	-	3	-	131	120	131	-	6	✓	
Law Primary - extension	1,117	1,151	1,151	34	8,460	7,370	8,521	61	6	*	
Letham Primary - New School	230	7	230	-	8,937	420	8,937	-	3	✓	
Loretto Primary - 1140	2	-	2	-	36	-	36	-	2	✓	
Meadowpark Communications Provision - upgrades	293	183	293	-	300	-	300	-	6	✓	
Musselburgh Primary - 1140 upgrades	2	-	2	-	34	-	34	-	2	✓	
New Musselburgh Additional Secondary Education Provision	3,703	-	3,703	-	41,603	16	41,603	-	2	*	
Wallyford Primary - New School	13,140	6,582	13,140	-	19,202	6,197	19,202	-	5	*	

North Berwick High School - Extension	50	-	50	-	7,880	-	7,880	-	2	✓
Ormiston Primary - extension	2	2	2	-	1,231	-	1,231	-	2	✓
Pinkie St Peter's Primary - Retention	3	68	68	65	5,167	5,169	5,237	70	6	✓
Pinkie St Peter's Primary - extension incl. 1140	130	-	130	-	4,637	-	4,844	208	2	*
Prestonpans Early Learning and Childcare Centre - Retention	10	-	10	-	10	-	10	-	6	✓
Prestonpans Infant School - extension incl. 1140	699	15	759	60	1,274	-	1,472	198	2	*
Ross High School - extension	150	-	150	-	8,830	-	8,830	-	2	✓
St Gabriels Primary - extension	5	-	5	-	125	-	125	-	2	*
Total Property - Education	25,404	12,281	25,853	450	122,574	24,161	124,492	1,918		

Property - Other										
Accelerating Growth - Enabling Infrastructure	270	31	270	-	50,800	1,330	50,800	-	2	✓
Brunton Hall - Improved Community Access	230	-	-	(230)	1,450	19	1,450	-	1	*
Court Accommodation - upgrades	294	38	294	-	1,822	-	1,822	-	2	✓
Haddington Corn Exchange - upgrades	299	6	299	-	849	-	849	-	2	*
Herdman Flat	200	-	40	(160)	200	-	200	-	1	-
Inveresk Mills - upgrades	150	-	150	-	150	-	150	-	4	✓
Meadowmill - New Depot	170	67	170	-	1,000	5	1,000	-	2	✓
New ways of working Programme	13	-	13	-	608	-	608	-	1	✓
Port Seton - Community Centre Extension	600	11	300	(300)	1,150	-	1,150	-	3	*
Prestongrange Museum - Retention	4	-	4	-	1,140	51	1,140	-	2	-
Property Renewals	1,000	459	1,000	-	-	-	-	-	7	✓
Residential Care Homes Provision, subject to Older People Review	5	5	5	-	1,005	-	1,005	-	1	✓
Sports Centres	200	109	200	-	-	-	-	-	7	✓
Torness Strategic Coordination Centre - Retention	-	8	8	8	-	-	8	8	6	✓
Whitecraig Community Centre	1,162	-	968	(194)	1,508	174	1,508	-	5	*
Winterfield Welfare - Retention	-	1	1	1	-	-	1	1	6	✓
Total Property - Other	4,597	736	3,722	(875)	61,682	1,579	61,691	9		
Total Property - Education and Other	30,001	13,017	29,576	(425)	184,256	25,740	186,183	1,927		
Capital Plan Fees	1,604	-	1,604	-	-	-	-	-	7	✓
Total Gross Expenditure	46,563	17,064	44,604	(1,957)	210,495	27,156	212,019	1,524		

Total Income	(25,591)	(12,248)	(25,470)	121
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Borrowing Requirement	20,971	4,816	19,134	(1,836)
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REPORT TO: East Lothian Council
MEETING DATE: 11 December 2018
BY: Depute Chief Executive (Resources & People Services)
SUBJECT: Financial Strategy 2019-2024

5

1 PURPOSE

- 1.1 This report sets out an updated Financial Strategy for the Council, covering a five-year period from 2019-2024, also incorporating the new requirement to produce a Capital Strategy.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Approve the Financial Strategy set out in **Appendix 1** of this report together with the new Capital Strategy included at **Appendix 2**.
 - Approve the further refinements to the new budget development process, set out in paragraph 3.6 of this report.

3 BACKGROUND

- 3.1 The current approved Financial Strategy was approved by Council in December 2017 and covers a five-year financial planning period from April 2018 until March 2023. It is important that each year the Strategy is refreshed to reflect any changes in the financial planning landscape and ensure that the Strategy which is set remains appropriate.
- 3.2 The Strategy itself covers both the General Services and also Housing Revenue Account, and sets a clear direction on how the Council will manage its financial resources across the next five years. It also includes the Council's Reserves Strategy. The Financial Strategy is set out in Appendix 1 of this report.

- 3.3 The 2017 Prudential Code has introduced a new obligation upon Local Authorities to produce a capital strategy. The purpose of the capital strategy is to firmly place decisions around borrowing in the context of the overall longer-term financial position of the authority and to provide improved links between the revenue and capital budgets. The Capital Strategy is set out in Appendix 2 of this report.
- 3.4 It is important that in developing future budget proposals and related amendments, all councillors have due regard to the direction set within this strategy.

Budget Process

- 3.5 The budget development framework was approved by Council in October 2018 as part of the Financial Prospects report. The key variables of the framework are set out below.
- DRAFT budget proposals (covering both General Services and HRA) are developed by the Administration and considered by Cabinet in January 2019 covering both revenue and capital budgets.
 - Other Political Groups will have the option to develop any amendments to the Administration budget, with formal proposals to be considered by Council at the Council meeting in February, where the Council budget for both General Services, HRA and Council Tax setting will be approved.
- 3.6 Similar to last year and reflecting the decision already taken in October, the following arrangements will be put in place to support any budget amendments which may arise between the Administration draft budget and the Council's special budget-setting meeting currently scheduled for 12 February 2019:
- Any amendment to be made against the Administration's Draft Budget Proposal approved by Cabinet in January can only be made through Party Group Leaders.
 - All amendments must be presented to Council in the form of an alternative budget proposal based around the Administration draft. The amendment must be deemed competent, both in its ability to be delivered as well as ensuring that it can still deliver a balanced budget.
 - Political Group Leaders may work with the Finance Team on any potential budget changes which may be reflected within proposed amendments. Any final amendments to be considered by Council at the February Special Meeting must be submitted through Group Leaders to the Chief Financial Officer (delegated to the Service Manager, Business Finance) **no later than Friday 1 February 2019**.
- 3.7 Should Council wish to approve this framework for amendments in respect of the budget development process, this will require a specific departure from existing Standing Orders and therefore would require the support of two-thirds of those who are present at the meeting.

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications associated with this report although clearly, the report provides a strategic context and direction within which all future financial plans should be considered. Ongoing monitoring and reporting of the Council's financial performance is a key part of the approved Financial Strategy.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report has been considered and given there is no direct change in policy direction, there is no immediate requirement to undertake any further impact assessment.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – as set out within the strategy
- 6.2 Personnel - none
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Council 19 December 2017 – Item 4 – Financial Strategy 2018-23
- 7.2 Council 30 October 2018 – Item 4 – Financial Prospects 2019-20 and Beyond.

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Financial Strategy

2019-20 to 2023-24

Financial Strategy 2019-20 to 2023-24

1 Introduction

- 1.1 The Council continues to operate in an uncertain and challenging financial environment. There remains significant uncertainty around the wider economic impact on the UK and Scotland arising from the UK's departure from the European Union at the end of March 2019. The recent UK budget announcement at end of October, whilst indicating some additional resource to Scotland, is unclear as to how this will be prioritised within the overall Scottish Government budget. However, the funding priorities set out in the Scottish Government's Five Year Financial Strategy suggest that there is limited scope that any additional resource will be directed towards local government.
- 1.2 The Council has one of the fastest areas of growth in population across Scotland, rising by around 17,000 by 2037. As part of this, it is estimated that the number of older people over the age of 75 will double, and the number of children under the age of 15 will grow by over 15%.
- 1.3 Current forecasts indicate that it is highly likely that the Council will receive further reductions in grant funding over the next few years, and this alongside the growing demand for services, suggests that there will be a requirement to deliver significant, additional budget reductions going forward to ensure that services can be delivered within a balanced budget.
- 1.4 The purpose of the financial strategy is to provide clear direction on how the Council will manage its financial resources in the medium to long term to ensure they are deployed effectively to achieve corporate objectives. It plays a vital part of decision-making and forms the basis of the Council's stewardship over taxpayers funds. Given the extent of financial challenges ahead, it remains essential that the Financial Strategy enables the Council to develop a better understanding of the wider policy and financial environment within which it operates, and ensure that it can identify and respond flexibly to opportunities and threats, and manage and mitigate risks whilst ensuring that financial resources are contributing to achieving Council objectives and outcomes. The principal objectives of the financial strategy are:
- Outline the Council's high level financial position over the years 2019-2024 based on a range of assumptions.
 - Highlight the key influential issues that have been considered in developing the strategy.
 - Ensure that limited available resources are focused on delivery of the Council's key priorities.
 - Provide a financial planning platform for a sustainable revenue budget and capital investment programme which will support the Council's key priorities.

- Ensure that the Council is fully aware of the financial challenges and uncertainties that it faces and is in the strongest possible position to deliver the best possible quality and range of services within available resources.
- Increase both organisational awareness and wider community understanding of the Council's financial position and the challenges it is facing over the medium term in balancing its budget.

1.5 The Strategy also sets out the policy for the utilisation of reserves, including a clear rationale between holding fund balances for specified purposes and making decisions on how much reserves can be utilised when setting the budget.

1.6 The Strategy covers the five year planning period from 2019-20 to 2023-24 and includes both the General Services and Housing Revenue Account (HRA) revenue and capital budgets.

2 Current Economic Context

2.1 The Financial Prospects report which was considered and approved by Council in October 2018 set out the financial context within which we are currently operating and many of the key pressures that may impact on the way in which the Council spends its limited resources.

2.2 With so many external influences currently impacting on the wider economy, forecasting remains very difficult. At the time of writing, discussions are still ongoing to agree the final terms of the departure for the UK leaving the European Union at end of March 2019. This creates significant uncertainty around the wider impact on the UK and indeed Scottish economy. Balancing the public sector books currently places a considerable reliance upon economic growth but if there is either a downturn or further slowdown in economic activity within the UK this could lead to a prolonged period of public sector expenditure restraint.

2.3 In Scotland, as well as any limitations imposed through the UK Budget, the spending available to Scottish Local Government is dependent on the Scottish Government's budget priorities. The Scottish Government have signalled through their Five Year Financial Strategy published in May 2018, their continued policy commitments which will require significant investment. These areas are:

- Health: to increase NHS resource spending by £2bn over the parliament.
- Police: to protect the resource budget of the Scottish Police Authority in real terms over the parliament.
- Early Learning and Childcare: to increase resource funding to local authorities to £567m annually by the end of the parliament to support 1,140 hours per year of childcare.
- Attainment: to allocate £750m to the Attainment Scotland Fund over the parliamentary term.

- Higher Education: to continue to allocate £1bn each year to the sector.
- Social Security: to deliver a more generous Carer's Allowance Supplement from 2018 and a new Best Start Grant (replacing Sure Start Maternity Grant) from 2019.

2.4 Whilst some of these priorities may directly benefit Local Government spending, these elements are targeted at specific policy areas such as Early Learning & Childcare. In recent years Local Government's core settlement, on a like-for-like basis, has declined by more than headline reductions suggest. If the Scottish Government's overall resource budget continues to fall in real terms, then there may be a greater than proportionate impact on 'other' areas of spend (those that are not mentioned as a specific priority), and a continued squeeze on Local Government services remains most likely.

2.5 The Scottish Government does however have at its discretion a new range of fiscal powers over taxation and welfare, which mean in practice that around 40% of devolved expenditure will now be funded by tax revenues collected in Scotland. This makes the determinations of the Scottish Budget significantly more complex than it has been in the past, where in addition to the block grant received from Westminster, the resources available to the Scottish Government will depend on a complex interaction between the revenues from taxes transferred to the Scottish Government and the revenues from the equivalent taxes in the rest of the UK.

2.6 The most recent UK Government budget announced in October 2018, has indicated an overall increase in cash resource of £679m, most of which has already been earmarked as Barnett consequentials that will flow through to Health. The Scottish Government will now publish its draft budget on 12 December 2018 to allow a full 10 week period for the Parliamentary Subject Committees to complete their pre-Budget scrutiny, and we await to see the outcome on the Local Government settlement generally and specifically for East Lothian Council.

3 Local Context

3.1 The local environment within which the Council operates has changed significantly in recent years and will alter further in future years due to the impact of national legislation and policy, further economic turbulence, societal changes and developing customer expectations.

Council Plan

3.2 The approved Council Plan for 2017-2022 sets the strategic policy direction for the Council, and continues the journey towards realising our vision for an even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy that enables our people and communities to flourish. The overarching aim is 'reducing inequalities within and across our communities' with four themes each designed to make the biggest impact in our communities. These are: Growing our Economy, Growing our People, Growing our Communities and Growing our Capacity. The alignment of financial resources to enable the delivery

of the Council Plan is a key requirement, working across all Community Planning partners to deliver this shared agenda for the benefit of local people.

Local Development Plan (LDP)

- 3.3 The Council now has an approved Local Development Plan (LDP). This plan will require the building of an additional 10,050 homes in East Lothian by 2024, and with it will see a rapid expansion in population across the area, with estimated population growth of an additional 17,000 to 120,000 by 2037. This will impact on the wider demography within the area, with significant growth in particular in the number of school-age children and the number of pensioners.
- 3.4 This will create opportunities for the Council but will also provide significant financial challenges in terms of the provision of services to meet these growing demographic changes such as; the number of school children, care packages, waste collection etc. and ensure that the Council has the appropriate infrastructure to support these growing demands.
- 3.5 The impact of the wider growth associated with the development across the County will continue to have a significant impact in future years.

Changing Public Sector Landscape

- 3.6 The public sector landscape continues to evolve as public bodies continue to explore ways to work together to achieve shared outcomes. Some of these changes are driven from legislative requirements, others are driven by local community planning and other collaborative arrangements. The development of new public sector provision presents new opportunities and challenges for the Council as it seeks to ensure that shared outcomes are achieved and that resources are deployed efficiently and effectively.
- 3.7 The East Lothian Integrated Joint Board (IJB) was formally established in July 2015, and forms a partnership between the Council and NHS Lothian, following the requirements set out in the Public Bodies (Joint Working) Act 2014. The IJB has been designed to integrate how health and social care services are: planned, commissioned and delivered from 1 April 2016. It is a separate legal entity receiving resources from both the Council and NHS partners, and in turn instructs these partner bodies to carry out specific delegated functions and associated resources. It is hoped this partnership will provide both challenge and opportunity in future years, requiring the Council to identify and manage any risks identified through the joint working arrangements with its Health partners. The Council will play an active role within this partnership to help secure the key objectives and outcomes associated with Shifting the Balance of Care and must do what it can to ensure that adequate resourcing follows this mutually accepted policy direction.
- 3.8 The Community Empowerment (Scotland) Bill received royal assent on 24 July 2015. The Act places new duties on the Council and its partners to provide new rights for community bodies. The Act came into effect in July 2016 and will have a significant impact on the way the Council interacts with the Community.
- 3.9 The Scottish Government review on Education Governance and proposed Next Steps, places focus on an Education system that is; centred on children and young people, is school and teacher led, focus on the quality of learning and teaching,

supports leadership and has a relentless focus on improvement. Part of the Governance review has resulted in the proposed establishment of Regional Improvement Collaboratives, with East Lothian forming part of the South East Regional Improvement Collaborative alongside Edinburgh, Fife, Midlothian and Scottish Borders. The main focus of the South East Collaborative is on Quality Improvement and Raising Attainment, and will place new and changed duties on Local Authorities to work within the Collaborative arrangement to drive forward increased improvement.

- 3.10 A joint review of Local Governance is currently being undertaken by Scottish Government and COSLA, which focuses on all public services not simply councils, and both national and local spheres of government. The review includes two strands; Strand 1 focuses on a programme of 'Democracy Matters' community engagements being coordinated by an Enabling Group involving a range of organisations from public services, the third sector and wider civic Scotland. Strand 2 of the Review involves the Scottish Government, local authorities, CPPs and other public-sector organisations proposing approaches to governance, powers, accountabilities or ways of working that could improve outcomes, reduce inequalities, and improve democracy locally. The Council has established a cross party working group that will make a response to the review.

4 General Services Revenue Budget – Medium Term Outlook

- 4.1 Despite the many uncertainties facing Scottish local authorities, in particular those arising from reduction in Government funding, the need for medium to longer term financial planning is becoming increasingly important. Councils must ensure that they have robust financial plans in place to mitigate any potential impact arising from a wide range of variables highlighted earlier in this report. This need for medium to longer term financial planning is promoted by Audit Scotland both nationally and locally to help ensure longer term financial sustainability in the delivery of public services.

- 4.2 With this in mind, the October 2018 Financial Prospects report set out scenario based financial modelling across a 5 year planning horizon. These assumptions were based on the approved 3 year budget, and have now been updated to reflect latest assumptions and extended to cover a new financial year 2023/24.

- 4.3 A summary of the Spending Plans for 2018-21 approved by Council in February 2018 are set out in the table below.

<u>General Fund – Revenue</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Approved Expenditure	237,337	236,889	239,992
<u>Financed by:</u>			
RSG (including NDR)	169,053	167,840	167,840
Other Government Grants	9,383	9,383	9,383
Council Tax	56,690	59,595	62,698

Other	71	71	71
Transfer from Reserves	<u>2,140</u>	<u>0</u>	<u>0</u>
TOTAL	237,337	236,889	239,992
Delivery of Planned Efficiencies (contained in above)	<u>5,017</u>	<u>5,612</u>	<u>1,894</u>

4.4 The current spending plans remain crucially dependent on services being able to both manage existing spending commitments within available budgets as well as the delivery of already planned efficiency savings. In total the current approved spending plans require that around £12.5 million of additional efficiencies are delivered between 2018-19 and 2020-21. Whilst substantial progress has been made in the delivery of these new savings proposals, the delivery of this level of savings over the next few years does not come without significant challenges. Any delays regarding the implementation and delivery of these recurring savings will create further problems, and ensuring that the Council has resilient plans in place to minimise any potential delays, or accelerate any new efficiency programmes remains critical.

4.5 Effective monitoring of the in-year financial position remains critical. The 2018-19 quarterly reports have continued to highlight significant service pressures, and a number of service areas are at a High Risk of overspending and consequently have been asked to develop and implement cost recovery plans with enhanced financial controls and additional monitoring checks are now in place. Current forecast projections for the Council suggest there is a High risk that the Council will overspend during the year. Officers are working hard to identify further options to manage any overspend but it remains challenging. Any overspending during 2018-19 may have a recurring impact on future year spending plans, and the ability to address the in-year and crucially the recurring nature of these overspends remains critical in assessing the future financial landscape for the Council.

Scottish Government Grant Funding

4.6 Key to identifying the future financial outlook as well as the Financial Strategy is the level of grant funding which we currently receive from the Scottish Government. The level of general Revenue Support Grant (RSG) currently makes up around 71% of the Council's total available funding, and is therefore an integral part of the overall resources that are used to support the delivery of Council services.

4.7 The Council also receives additional specific revenue grant funding of around £10.3 million from the Scottish Government; including investment in Health and Social Care through the Social Care Fund, Pupil Equity Fund devolved directly to Head Teachers, Criminal Justice Funding as well as additional funding provided to support the delivery of Early Learning and Childcare – 1140 hours expansion. Over the past few years, there has been an increasing level of national policy

commitments being funded by grant which can only be used for these specific purposes at the same time as we are facing reductions in the core grant for the provision of existing services. The earmarking of these new resources, reduces the scope for flexibility in how the Council delivers services in a way which best meets local priority outcomes.

- 4.8 In recent years including 2018-19, we have only received one year grant settlement from the Scottish Government and the lack of certainty around future grant awards, significantly weakens longer term planning and continues to place a high degree of volatility around future spending plans. Despite the introduction of the Scottish Government's new 5 Year Financial Strategy mentioned earlier, we still anticipate a one year settlement for 2019-20.

Council Tax

- 4.9 Following years of relative stability as a result of the nationally imposed Council Tax Freeze from 2007-08, the projected Council Tax income within the 3 year approved budget includes: anticipated income relating to the change in Council Tax multipliers introduced in 2017-18, increased yield from additional household properties expected to be built in the next 3 years, and an assumed annual Council Tax increase of 3% per annum in line with the maximum level of Council Tax increase allowable in 2018-19.

- 4.10 The housebuilding growth across the East Lothian area generates significant opportunities for the Council, but these opportunities must be managed alongside a backdrop of reducing resources and the related growing demand for our services. The future growth in the Council Tax yield as a result of a growing number of properties, does not match the associated costs of servicing this increased population both in terms of capital infrastructure costs and associated revenue costs across a wide number of Council services including increasing school roll, care for the elderly and more waste collection. The reliance upon shrinking government grants together with the previous Council Tax freeze, and the existing cap on Council tax increases imposed by the Scottish Government means that this additional cost must be met within the existing, limited resources available to fund core council services.

Workforce Plan

- 4.11 The workforce is the Council's most valuable asset and accounts for around 60% of the Council's overall running costs. With this comes significant financial contractual commitments in terms of pay and pensions. The Council has in place a Workforce Development Plan which will assist in planning the workforce to ensure it can meet the Council plan and obligations. The Plan has in place a number of key workstreams all of which are sponsored by a member of CMT. These include: Workforce Planning; Employer of Choice; PRD, Performance and Development; Leadership and Development; Wellbeing and Recruitment, Selection and Retention and finally Rewards and Recognition.
- 4.12 Given the cost associated with staffing, any changes contractual commitments in relation to pay and pensions can have a substantive impact on the overall costs. In recent years, any public sector pay annual increase has been approved broadly in line with public sector pay policy which has been around 1%. In 2018-19 the

Scottish Government set out its intention to remove the public sector pay cap, with the key elements of the policy set out below, and applied to the Council's 2018-19 budget plans.

- An increase of 3% up to £36,500, a 2% for those earning above £36,500 and below £80,000 and a flat increase of £1,600 for those earning above £80,000.

4.13 Despite the pay policy, multi-year pay settlements have been agreed for a number of public sector staff including Police and NHS, at a higher level. In relation to all Local Government staff groups (Local Government workers, Teachers, Craft and Chief Officials) there is still no formal pay award agreed for 2018-19, however the latest pay offer for all staff groups is already in excess of budgeted levels at 3%. Whilst the national pay negotiations remains on-going, it remains likely that the pay award will be in excess of the current budget levels and will place a recurring and increased pressure on the wider Council budget. As a broad indication every 0.5% increase amounts to around £0.650 million on our annual pay bill, and therefore the potential implications of rising pay awards will be significant.

4.14 All employees working for the Council have access to defined benefit pensions, which means that the Council as employer has substantial unknown future financial liabilities that only materialise when the pensions are actually paid. For teachers, this liability is not established specifically for East Lothian as these costs are part of a national scheme administered by the Scottish Government. For non-teaching staff, there is a statutory requirement that these costs are independently assessed as part of an actuarial valuation of each local pension fund every three years.

4.15 All public sector pension schemes are subject to on-going scheme valuations to establish the financial sustainability of the schemes to ensure that they meet their future liabilities, and set any future employers contribution rates for the scheme for the next few years based on these results. The most recent Local Government Pension (LGPS) actuarial valuation was undertaken as at April 2018. The Council has in place a formal Contribution Stability Mechanism agreement with Lothian Pension Fund which provides a degree of certainty around current employer's pension contribution rates. As part of this stability mechanism, a further increase in employer's pension contributions of 0.5% increase has been budgeted for 2019-20, and a further 0.5% for 2020-21. This will place an additional burden in successive financial years of around £0.300 million per annum.

4.16 Furthermore, the Teacher's Pension Scheme and associated actuarial factors have been subject to on-going review, and there is a potential change (can we establish whether or not this change is to be made or not) which may impact on contribution rates from April 2019, and increase the employers' contribution rate for the Teacher's Pension Scheme from 17.2% to 22.4%. If the Council were not to receive any funding support for this within the Financial Settlement, the potential impact of this for East Lothian Council could be around £2.0 million per annum.

Scenario Planning / Funding Gap

- 4.17 Despite the many uncertainties facing Scottish local authorities, in particular those arising from reduction in Government funding, the need for medium to longer term financial planning is becoming increasingly important. Councils must ensure that they have robust financial plans in place to mitigate any potential impact arising from a wide range of variables. This need for medium to longer term financial planning is promoted by Audit Scotland both nationally and locally to help ensure longer term financial sustainability in the delivery of public services.
- 4.18 The scenario based financial modelling which was highlighted in the recent Financial Prospects report presented to Council in October 2018, and covered a 5 year financial planning period until 2023-24. The modelling highlighted the potential impact on three separate scenarios based on a relatively limited number of key variables which can have the greatest impact on the on the spending projections for the Council (RSG, Pay, Non-pay inflation, existing Budgetary Pressures and Council Tax yield) and different assumptions within these variables based on potential outcomes. These scenarios were modelled on the assumption that the current approved spending plans, including the planned efficiencies, can be delivered. The total estimated level of revenue savings which will be required to be delivered over the next 5 years is therefore over and above the current planned savings, and is summarised in the Table below. The scenario based modelling is in reality different from the approved budget model which includes a wide range of different variables all of which may ultimately impact on any future funding gap.

Estimated Funding gap 2019-20 to 2023-24

Scenario	18/19 £'000	19/20 £'000	20/21 £'000	21/22 £'000	22/23 £'000	23/34 £'000	TOTAL
Existing Planned Efficiencies	5,017	5,612	1,894	-	-	-	12,543
1	320	1,266	1,203	1,228	1,165	1,102	6,283
2	1,320	5,539	3,392	2,589	2,215	2,152	17,207
3	3,320	10,100	8,475	3,703	3,640	3,576	32,814

- 4.19 All of the scenarios indicate a clear requirement that the Council will require 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. While the level of savings identified will undoubtedly change as work progresses on developing the Revenue Budget, this provides an indication of the scale of financial challenge potentially facing the Council over the next five years. Reductions on this scale would have a potentially significant adverse impact upon

service delivery and it is imperative that early consideration is given to how best this might be minimised. What remains clear however is that if these reductions materialise, the Council will be required to make some difficult choices in order to balance the budget.

General Services Capital Budget – Medium Term Outlook

4.20 A five year General Service capital budget covering the period until 2022-23 was approved in February 2018 is summarised in the table below. These spending plans in-year have been subject to re-profiling and updating following the 2017-18 outturn, but in broad terms indicate a continuing growth in the capital plans.

<u>General Fund – Capital</u>	<u>18/19</u> <u>£'000</u>	<u>19/20</u> <u>£'000</u>	<u>20/21</u> <u>£'000</u>	<u>21/22</u> <u>£'000</u>	<u>22/23</u> <u>£'000</u>	<u>TOTAL</u> <u>£'000</u>
Approved Spending (Gross)	44,974	46,097	52,639	59,572	59,768	263,052

Capital Funding

4.21 Funding for the capital plan comes from a range of sources including; Scottish Government (General Capital Grant and Specific Ring-Fenced Capital Grants), Developers contributions, capital receipts from asset disposals, other income such as grant funding from other bodies, and the balance is made up from borrowing funded by the loan charges provision in the revenue budget.

4.22 The General Services capital grant funding for Scottish local authorities received from the Scottish Government during 2016-17 had been reduced by £150m with the promise that this would be returned to local authorities over the next spending review period. This was not included within the 2017-18 or 2018-19 settlement although there remains a commitment this will be returned in full to Councils during the period 2019-20.

4.23 Uncertain economic conditions places further risk on the deliverability of current and future capital plans and the associated funding. There are risks associated with the infrastructure costs due to the included within the capital plans due to inflationary increases particularly relating to projects which are not due to commence in the short term. Similarly, there are risks associated with funding the capital investment plans relating to any future level of interest rates and associated cost of borrowing, and cash flow management as well as the timing and realisation of any anticipated capital receipts, and other associated contributions. The Council has approved a new Developers Contribution Framework (DCF) as part of the recently adopted Local Development Plan (LDP), and any change in economic conditions can place a significant risk on the Council on the timing of any developer's contribution.

4.24 Given the scale of the future capital programme and associated risks, the financial strategy and associated supporting strategies (including Capital Strategy and Treasury Management Strategy) must support the management of these risks. Affordability remains paramount in investment decisions also ensuring that the Council has in place a prudent approach to management of risk.

Future Capital Commitments

4.25 The Council has invested significantly in its infrastructure over recent years and this growth is likely to continue with the current plans designed to support the future infrastructure requirements across the Council area. Linked to the growth agenda, the Council now has an approved Local Development Plan (LDP). This plan will require the building of an additional 10,050 homes in East Lothian by 2024. Given this, the capital programme includes the additional enabling infrastructure costs that will fall due to the council to support these new additional homes. These additional infrastructure costs are supported by developer's contributions in line with the approved Developer Contribution Framework.

4.26 A formal agreement has now been signed in relation to the Edinburgh and South East of Scotland City Deal. The related investments will create significant economic long term benefits for the East Lothian economy, but will place a significant financial burden upon council finances.

4.27 Subject to affordability, the detailed structure of any deal will need to be more fully incorporated within our existing financial plans. The majority of the costs associated with the City Deal are likely to fall outwith the current 5-year approved budget, however the financial implications of supporting both the adopted LDP and emerging City Deal commitments are significant and the Council budgets will need to be updated to reflect the related capital and revenue implications.

4.28 Alongside this, the Council aims to provide a modern, efficient and sustainable operational asset portfolio that meets the needs of its existing and future service users and employees. Key to this is the Corporate Asset Strategy which provides the framework for the efficient management of the Council's core assets. This strategy supports the delivery of the operating model for services, promoting collaborative working with our Community Planning partners, other public bodies and sectors to achieve more effective use of combined assets.

4.29 All of these investment plans are underpinned by financial models that determine their affordability both in terms of capital and revenue budgets. What remains clear is that the affordability plans of future capital investment remains critical in order to ensure that we can continue to maintain appropriate level of investment for the future benefit of the East Lothian area.

4.30 Given this, the Financial Strategy aims to set an affordability limit to protect both current and future Council Tax payers, based on the future loan charge costs. This limit will be set at an overall percentage of the total income received from Government (RSG + specific grants) and Council Tax income over the lifetime of the project and will be capped at a maximum of no more than 12%.

5 Reserves

5.1 Holding an adequate level of reserves to meet unexpected costs is a key management tool for delivering the Financial Strategy. It remains the responsibility of the Head of Council Resources in his capacity of the Chief Financial Officer (Section 95 Officer) to advise the Council on the level of reserves which it should hold and ensure that there are clear protocols for their establishment and use.

5.2 In determining medium term financial plans and preparing budgets, the Council needs to consider the establishment and maintenance of reserves in accordance with its statutory powers. Reserves can be held for three main purposes:

- Working balances to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of General Reserves.
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of General Reserves.
- A means of building up funds often referred to as Earmarked Reserves, to meet known or predicted liabilities.

5.3 The General Services reserves (excluding HRA reserves) available as at 31 March 2018 as per the audited accounts was £19.038 million with more detail around the breakdown of this reserves set out below. It should be noted that many of these reserves already have commitments against them and will be spent during this year.

<u>General Services Reserves</u>	<u>£'000</u>
Required to support future budgets (Note 1)	2,794
Civil Emergency	2,000
Cost Reduction Fund	3,767
Earmarked Reserves	
• DSM (Devolved School Management)	391
• MELDAP	303
• Other reserves	575
Insurance Fund	1,883
General Services Capital Receipts Reserves	4,600
Gen Services Capital Fund	2,282
Balance 2017-18 (Note 2)	443
Sub-total General Services Reserves	<u>19,038</u>

Note 1 – Includes the early payment of RSG received in 2017-18 of £0.654 million and will be used in 2018-19

Note 2 – Reflects the balance of additional surplus delivered in 2017-18

5.4 Each of these reserves is set out for a specific purpose with the detail of their intended use explained below.

5.4.1 **Requirement to support future budgets:** This balance has already been committed to support the budget in 2018-19 as per approved budget plans in February 2018.

5.4.2 **Civil Emergency:** This fund should act as a cushion against the costs of any emergency or other unforeseen event should it arise. This is currently retained at a level of £2 million, however the level of this remains under constant review as to the adequacy of this.

5.4.3 **Cost Reduction Fund:** Meeting future financial challenges is likely to mean significant changes in the way in which the Council delivers services. To help make these changes the Council previously established a Cost Reduction Fund. The balance on this Fund currently stands at £2.767 million and is expected to reduce to under £2 million at March 2019 based on current commitments. This fund has largely been used to meet the costs of employee contract severance payments as well as supporting some costs associated with delivering Transformational Change.

5.4.4 **Earmarked Reserves:** These funds are earmarked for specific purposes and include: Midlothian Drug and Alcohol Partnership (MELDAP), balances established from both Primary and Secondary Devolved School Management (DSM) schemes as well as specific carry forward balances for a range of projects including Area Partnership and also balance of funds to support the feasibility plans around the future of Cockenzie.

5.4.5 **Insurance Fund:** The level retained within the Insurance Fund is subject to ongoing fund valuations, and whilst the current level remains in line with current assumptions, there are emerging pressures arising within the fund and the level should be kept under review.

5.4.6 **General Services Capital Receipts Reserve:** This fund has been established from Capital Receipt income which has not yet been applied in year. This Fund can be used to either support capital investment or repay the Principal element of debt repayments. This fund cannot be used to support General Revenue budgets.

5.4.7 **General Services Capital Fund:** The Fund was established in recent years from flexibility from year end underspends, in order to mitigate the impact of the growing capital infrastructure commitments. Unlike the Capital Receipts reserve this Fund does have the flexibility to be transferred to other General Reserves.

Reserves Strategy

5.5 The 2017-18 financial year delivered an increase in useable reserves of £1.034 million relative to approved financial plans. £0.654 million relates to Revenue

Support Grant (RSG) which was received in 2017-18 but included in budget plans for 2018-19. It is recommended that the unallocated balance of £0.443 million is maintained in general reserves and is used to mitigate the impact of any overspending on approved budget plans during 2018-19. If the Council delivers a surplus during 2018-19, it is recommended that the balance is transferred to the Capital Fund to mitigate the impact of the growing infrastructure commitments.

- 5.6 In line with the current Financial Strategy, the reliance on the use of reserves to support future revenue budgets is not sustainable and therefore the preferred and more sustainable direction is by having the final year of the three year budget showing balanced income and expenditure without the use of reserves. Borrowing is usually repaid over a longer period than three years, and the best indicator of whether the future repayments are sustainable is a longer term budget that does not rely on temporary sources of funding such as reserves. In other words, to sustain the capital investment plan the Council needs to demonstrate that there is no structural deficit in its budget by 2021-22.
- 5.7 Taking into account in year financial performance, it is unlikely that the Council will deliver a surplus contribution to reserves in 2018-19. Furthermore, it is clear that the Council faces significant challenges over the medium term, with continued reductions in funding and increasing demand for many of its services. General Reserve levels are already running at a relatively low level It will therefore be necessary to maintain balances at an appropriate level to support any future commitments and mitigate future financial risks, and it is recommended that there is now a need to establish a minimum level of uncommitted General Reserve balances which can be used to support any unforeseen / unquantifiable event. This level should equate to a minimum of 2% of the Council's annual running cost (£4.27 million). Taking into account the Civil Emergency Fund (£2 million) and the General Services Capital Fund (£2.282 million) the Council currently meets this minimal required level of balance at just over £4.282 million, however there is currently no headroom in this. In the event that the Reserves are projected to fall below this level then Members must have a clear route for bringing Reserves back up to the level over the subsequent three financial years.

6 General Services Financial Strategy

- 6.1 Given the potential challenges which lie ahead, over the next three years, the Council's financial strategy will continue to focus upon;
- Delivering an enhanced Transformational Change Programme that will change the way it does things to be more efficient and deliver services more effectively to meet the new demands and pressures in line with the Council's aims and support the realisation of existing planned savings;
 - Maximising the income generation available to the Council. This will include; ensuring the Council recovers all income due and takes appropriate approach to recovering any outstanding debt and a prudent approach to managing any bad and doubtful debt; ensuring the Council maximises the use of available revenue and capital funding streams where appropriate; ensuring that where

the Council has decided to charge, these are where possible based on the principle of full cost recovery, whilst ensuring existing charges are benchmarked against other similar authorities. This will also include the exploration of new opportunities for income generation where it is deemed possible;

- Continue to explore options for the Council to become more entrepreneurial including developing new ways of ensuring service are provided in the most effective way possible. This could include developing new services that can make a 'profit' for the Council.
- Continue to progress opportunities for partnership and collaborative working where there are proven efficiency and or service gains;
- Continuing to constrain cost growth – through effective demand management, continuous review of all expenditure commitments, good financial control by managers and by effective negotiation with suppliers;
- Continue to focus spend on prevention and early intervention, which is designed to reduce future demand for council services by stopping problems arising or by addressing problems early on;
- Maximising the use of the Council's assets, reviewing our existing asset base to ensure that it meets the new ways of working, and work in partnership with other public agencies to make best use of our assets and provide a more joined up service.
- Continuing to invest where appropriate in the Capital investment programme, ensuring the plans will support the Council's key priorities, and remain affordable based on a clear understanding of both capital and future revenue costs, with future loans fund charges to be set at a limit over the lifetime of the project of no more than 12% of the total revenue income (RSG + specific grants and Council Tax).
- Continuing to manage and review the General Services Loans Fund balance, maximising the use and application of capital receipts, capital grant, and any flexibility arising from revenue balances, in order to minimise the future impact of debt charges.
- Apply flexibility in the application of capital receipts to maximise any potential interest rate fluctuation.

6.2 Taking this into consideration, alongside the Reserves Strategy outlined above, it is also recommended that the budgets are developed annually on the following approach:

- Develop a sustainable three year General Services budget avoiding the use of reserves in Year three (2021-22).

- Develop a five year General Services Capital Plan aligned to the new Capital Strategy, which seeks to ensure capital investment decisions are considered affordable.

7 Housing Revenue Account

- 7.1 In recent years there has been a significant increase in HRA capital spend as both the modernisation and affordable house building programmes have been expanded – and as a consequence, the share of spending on debt charges has also increased.
- 7.2 The Local Housing Strategy sets out the strategic approach of the local authority and its partners to delivering high quality housing and housing related services across all tenures, to meet identified need. The Strategy has been prepared within the context of a highly pressured housing market. Against this backdrop, increasing the supply of affordable housing was and continues to be, a corporate priority for East Lothian Council. House prices remain among the most expensive in Scotland and there is significant demand for social rented housing. A high level of homelessness applications persist and the economic climate continues to impact on the ability of households to meet their housing needs.
- 7.3 A new and updated Local Housing Strategy has been adopted for 2018-23, with the housing need and demand assessment a key part of the evidence base for the Strategy. The current SESplan housing need and demand assessment was approved by the Scottish Government in March 2015. Within this, the plan indicated the requirement for circa 553 new additional units of housing per annum in East Lothian over the period 2012-30, comprising 370 affordable housing units and 183 units of market housing. The SESplan core Housing Market Partnership was tasked with setting HSTs, considering how housing need and demand can best be met over the whole housing market area and across all tenures. An affordable housing supply target of 189 units per annum (36%) and a market housing supply target of 330 (64%) were determined for East Lothian in partnership with SESplan authorities leading to a combined target of 519 units, for the period 2018-30. The ability to deliver will be dependent upon a combination of affordable housing providers, which includes Registered Social Landlords (RSLs), East Lothian Council and the private sector. It will also be dependent on complex funding models delivering different tenures.
- 7.4 For the Council, the timing around the delivery of many of the affordable housing sites remains key, coupled against the affordability to deliver the plans. ELLDP 2018 identifies housing land that will deliver in excess of 2,500 affordable homes. The Council is developing its supporting Supplementary Guidance on Affordable Housing and its Local Investment Framework on the back of ELLDP 2018 adoption. The Council has submitted its latest Strategic Housing Investment Plan and is engaging with Government on Housing Beyond 2021. The overall HRA budget is a balancing act between the income raised through rent, the revenue expenditure such as staffing & repairs and the capital spending which is undertaken on modernisation and provision of affordable homes.
- 7.5 For the HRA, the financial strategy will continue to focus upon the following;

- Ensuring rental income and any future rental increase remains affordable for tenants, whilst benchmarked against national average;
- Continuing to constrain cost growth – through effective demand management and good financial control by managers, focusing spend in line with agreed priorities whilst maintaining high quality service delivery for Council House tenants, whilst recognising the need to deliver a significantly expanded affordable housing supply programme, a growing Health & Housing agenda and deliver on substantially increased government driven intervention like Rapid Re-housing.
- Ensuring that the HRA can sustainably support the required housing capital programme associated with building new Council Houses and modernising existing homes. This will be delivered working alongside wider RSL partners to deliver the affordable housing needs across East Lothian in line with the objectives of the Council's Local Housing Strategy and LDP requirements and the Scottish Government's aim to deliver an additional new affordable housing;
- Continuing to meet on-going statutory requirements, including; Scottish Housing Quality Standards and EESSH (Energy Efficiency Standard in Social Housing);
- Responding to the challenges arising from recent and proposed UK benefit reforms;
- Reducing rent arrears; an area which has been particularly challenging following the roll out of Universal Credit;
- Delivering the efficiencies required across the housing management and repairs service;
- Ensuring that the Council stays within the recommended upper limit for the ratio of debt charges to income of 40%, maximising the in year use and application of capital receipts, capital grant, and any flexibility arising from revenue balances, in order to minimise the future impact of debt charges. This limit maintains an appropriate long term balance between the various elements of the HRA budget;
- Ensuring that the reserve or balance left on the HRA should not fall below £1.0million. This will allow the Council to maintain a cushion against any unexpected increase in costs or loss of income, and to protect against the risks inherent in the UK welfare reform proposals. Given the uncertainty that exists over the timing and scale of capital investment in new affordable housing, there is no upper limit on reserves.

8 Financial Management

8.1 The Council's external operating environment is subject to constant change and therefore budget review and development cannot simply be a once-a-year process. In-year performance monitored against approved financial plans will be kept under constant review with regular quarterly reports made to Cabinet and a

year-end report presented to the full Council following submission of the draft accounts for audit.

- 8.2 As part of our normal financial management support service, monthly and quarterly performance reports are issued to managers with budget responsibility and in addition to that, the overall finances of the Council are subject to detailed annual independent audit review.
- 8.3 It is vitally important that through the Council Management Team (CMT), the Council maintains a disciplined approach to the implementation of its change programme and does everything possible to deliver the financial efficiencies planned in accordance with that programme and the supporting budgets. Heads of Service will be required to manage within the budgets approved and if at any time spending pressures are not containable within the Business Group, the relevant Service Manager should report this to their Head of Service and Depute Chief Executive. In consultation with their Cabinet Spokesperson, the relevant Depute Chief Executive has the flexibility to move budgets between business groups. Should this not resolve the spending issue, it is the Depute Chief Executives' responsibility to formally report this to the Head of Council Resources. In this situation, the matter may be reported to Cabinet and the Council may be asked to reconsider the policies applying within that Group with a view to reducing services and costs or increasing charges and income. If this cannot be achieved, then the Council may be asked to approve policy changes elsewhere that will yield the necessary savings through service reductions or increased charges.
- 8.4 Despite the Financial Strategy covering the period until 2023-24, given the uncertainty around the financial planning landscape which the Council operates within, the Strategy will be subject to an annual refresh to ensure that it remains appropriate to respond to the future financial challenges.

9 Summary

- 9.1 The Council continues to face much uncertainty, a wide range of risks and an increasingly difficult financial environment. For General Services, in the short and medium term expenditure continues to be outstripping income against an increasing demand for services with East Lothian projected to be one of the fastest growing Council areas in Scotland. With growth comes both expenditure commitments as well as increased opportunities.
- 9.2 The Council is ambitious in its vision to become the best place to live in Scotland, and if to remain sustainable, the way in which we deliver services to the community must change. The Council will continue to work with the community and wider planning partners to do all that it can to maximise and enhance service delivery within the resources which are available, however reductions on this scale would have a potentially significant adverse impact upon service delivery and it is imperative that we seek to adopt a strategy that seeks to address how best this might be minimised. What remains clear however is that if these reductions materialise, the Council will be required to make some difficult choices in order to balance the budget.



Capital Strategy

Capital Strategy

1. Introduction

- 1.1 The 2017 Prudential Code introduced the requirement for authorities to produce a capital strategy. The purpose of the capital strategy is to firmly place decisions around borrowing in the context of the overall longer-term financial position of the authority and to provide improved links between the revenue and capital budgets.

The capital strategy is intended to give a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services along with an overview of how associated risk is managed and the implications for future financial sustainability. Para 21 Prudential Code

- 1.2 The Code refers to affordability, prudence and sustainability, which are related concepts. In order to ensure long-term affordability, decisions have also to be prudent and in the long term sustainable. Therefore, in carrying out their duties under Part 7 of the Local Government in Scotland Act 2003 (Scotland) in respect of affordability, local authorities are required to have regard to all those aspects of the Code that relate to affordability, sustainability and prudence.
- 1.3 The Local Government in Scotland Act 2003 refers to and places significant importance upon affordability. This means that an authority must consider the affordability of its capital investment during all the years in which it will have a financial impact on the authority.
- 1.4 The Strategy sets out the wider operating context, and aims to set out the arrangements and processes in place to manage capital resources how corporate priorities are linked to other key resource strategies and also clarified the related roles and responsibilities of members and officers. In doing so, the strategy effectively sets the framework within which capital financing decisions are considered and provides background to the funding sources available to meet the costs of capital projects.
- 1.5 The Capital Strategy is subject to an annual review and has a key role in supporting the delivery of the Council's corporate priorities.

2. Current Operating Environment

- 2.1 The Financial Strategy sets out the financial context within which the Council is operating and highlights many of the key pressures that may impact upon the way in which the Council spends its limited resources. The Council continues to operate within a challenging financial environment. The local environment within which the Council operates has changed significantly in recent years and will alter further in future years due to the impact of national legislation and policy, further economic turbulence, societal changes and developing customer expectations.
- 2.2 Despite this, the Council has set an ambitious course which continues the journey towards realising our vision for an even more prosperous, safe and sustainable

East Lothian, with a dynamic and thriving economy that enables our people and communities to flourish.

2.3 The Council now has an approved Local Development Plan (LDP). This plan will require the building of an additional 10,050 homes in East Lothian by 2024, and with it will see a rapid expansion in population across the area, with estimated population growth of an additional 17,000 to 120,000 by 2037. This will impact on the wider demography within the area, with significant growth in particular in the number of school-age children and the number of pensioners.

2.4 Furthermore, the Council has now entered a formal agreement in relation to the Edinburgh and South East of Scotland City Deal. The related investments will create significant economic long term benefits for the East Lothian economy, but will place a significant financial burden upon council finances.

2.5 Finally, the Council has a new and updated Local Housing Strategy driven by a housing need and demand assessment which was approved by the Scottish Government in March 2015. Within this, the plan indicated the requirement for circa 553 new additional units of housing per annum in East Lothian over the period 2012-30, comprising 370 affordable housing units and 183 units of market housing.

2.6 All of these plans will require additional significant infrastructure requirements over the foreseeable future, and the Council must ensure that it has appropriate and affordable capital investment plans in place which can then best support both the current and future population.

3. Key Resource Plans

3.1 The identification of capital investment requirements are governed by a number of key resource plans, all of which will be linked to the delivery of the Councils corporate objectives. More details around these key documents are set out below. Furthermore, other key strategies and policies may be relevant and will need to be reflected in the investment decision such as those associated with workforce/staff capacity and ICT.

Council Asset Strategy and Management Plan

- The Council Asset Strategy and Management Plan is a high-level document, which sets out how asset management is delivered for the Council to meet our long term goals and objectives. East Lothian Council's vision is to ensure that the assets that the Council holds are fit for purpose supporting the delivery of the strategic goals set out in the Council Plan, provide value for money and are efficient and sustainable.
- The Council manages its assets as a corporate resource to support the wider objectives and for the benefit of local communities. Management of the

Council's asset base is particularly important in the light of financial pressures to ensure that investment in assets results in the greatest positive impact for the people and communities of East Lothian.

- The purpose of the Council Asset Strategy and Management Plan is:
 - To align how the Council manages its assets with the Council's Key objectives to reduce inequalities across East Lothian;
 - To maximise the use of those assets to provide best value for our services;
 - To target limited resources to those assets to ensure they are maintained in satisfactory condition and in compliance with statutory obligations;
 - To provide a clear framework within which decisions relating to the planning and management of assets are made.

Financial Strategy

- The purpose of the financial strategy is to provide clear direction on how the Council will manage its financial resources in the medium to long term to ensure they are deployed effectively to achieve corporate objectives. It plays a vital part of decision-making and forms the basis of the Council's stewardship over taxpayers' funds.
- The financial strategy sets the Council's approach to managing both revenue and capital investment decisions over a 5 year financial planning period, and is updated on an annual basis. The capital strategy must support and inform the financial strategy, by considering the longer term affordability of borrowing implications relating to capital investment decisions.
- The strategy sets out the medium term approach which the Council must take to best manage; it's existing asset base, inform future capital investment decisions and management of associated risks within the context of overall affordability parameters. The Financial Strategy guides and supports the investment decisions within both the General Fund and also the HRA.

Treasury Management Strategy

- The Treasury Management Strategy recognises that the Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or financial instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

- The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or making best use of longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet prevailing Council risk or cost objectives.

Existing Assets

- Alongside this, the Council aims to provide a modern, efficient and sustainable operational asset portfolio that meets the needs of its existing and future service users and employees. Key to this is the Council Asset Strategy and Management Plan which provides the framework for the efficient management of the Council's core assets. This strategy supports the delivery of the operating model for services, promoting collaborative working with our Community Planning partners, other public bodies and sectors to achieve more effective use of combined assets.
- Much of this is informed by the condition of the existing asset base and current and future investment requirements including on-going repairs and maintenance and wider lifecycle investment required to maintain the value and condition of our existing assets.

4. Governance Arrangements

4.1 The Council adopts a Corporate Landlord model and oversees asset management and capital investment at a council wide level; its governance ensures that there is an integrated, cross service approach to decision making.

4.2 The governance arrangements for capital investment decisions across the Council are set out in the sections below.

4.3 New investment requirements are typically prepared by services and set out in the form of capital bids. These bids are assessed against a range of criteria, which are used to determine and assess the investment decision. This evidence includes assessment against the Council Plan and LDP priorities, external funding requirements; as well as the future cost implications both in terms of revenue and capital.

4.4A number of officer Groups will consider these bids and make recommendations to be included within the Council's capital investment plans which are subsequently considered and approved by Council as part of the annual budget setting process. These officer groups include:

- The Capital Investment and Asset Management Group (CIAMG) is a council wide forum to oversee the management of each asset category and to make

recommendations to the CAG. The purpose of the Capital Investment and Asset Management Group is to: ensure all asset related decisions are taken collectively and not in isolation; promotes collaborative culture and practice across the Council and its partners; improve governance and decision making; oversee the coordination of Council asset management projects and initiatives. The membership of the CIAMG includes all Asset Lead Officers and representatives from a range of council services. Asset lead officers are service managers to ensure that day-to-day management responsibilities are clear and that delegated decision-making is undertaken at the appropriate level.

- The Corporate Asset Group (CAG) is the strategic body for asset management and capital investment decisions and projects. It is responsible for effective and efficient asset management at a corporate level. The CAG is chaired by the Chief Executive, sets the direction, and provides leadership in relation to how the Council manages and develops its assets. The CAG includes all CMT members and informs capital investment recommendations to Council.
- The Council's Chief Finance Officer (CFO) has the overall responsibility to report explicitly on deliverability, affordability and risk associated with the capital strategy.
- The Council has in place a contract with external Treasury Advisors who provide professional treasury management and investment /cash flow management advice. This arrangement enables an external and expert validation to the Council's approach to managing its treasury and investment decisions.

4.5 In year financial performance reports on both the revenue and capital plans are reported quarterly to Cabinet but more recently this has been reserved to Council. These reports set out the in-year financial performance against approved budget plans, and highlight any financial risks or challenges arising during the year. These financial performance reports assist with developing and informing current and future capital investment decisions and financial plans.

4.6 The Council's Audit & Governance committee provide the scrutiny arrangements including: Risk and Internal Controls; financial matters including review of the financial performance as contained within the annual accounts, review of annual report to Members from External Audit and treasury management arrangements; and wider review of performance including corporate governance.

5. Capital Investment Considerations

Capital Funding

5.1 Key to the capital investment decisions are the affordability requirements. It is recognised that there remains significant challenges in terms of our financial operating environment and any capital investment decisions must consider both the current and future financial implications.

- 5.2 The Council's capital investments are made in accordance with the Prudential Code which aims to ensure that the capital investment plans of the Local Authority are affordable, prudent and sustainable. All of the Council's capital investment is managed in accordance with the requirements of the Prudential Code. The prioritisation of capital investment is directly linked to the Financial Strategy and/or in-year budget amendment processes which are undertaken in an open and transparent manner.
- 5.3 Capital investment decisions are typically underpinned by financial models that determine their affordability both in terms of capital and revenue budgets.
- 5.4 Funding for the capital plans comes from a range of sources including; Scottish Government (General Capital Grant and Specific Ring-Fenced Capital Grants and Housing Specific Grants), developers contributions, capital receipts from asset disposals, other income such as grant funding from other bodies, and borrowing funded by the loan charges provision in the revenue budget.
- 5.5 As part of the Council's reserves balance and in line with the approved reserves strategy, the Council has in place the following reserves that can be applied to offset the cost of future borrowing:
- General Services Capital Receipts Reserve - established from Capital Receipt income which has not yet been applied in year. This Fund can be used to either support capital investment or repay the Principal element of debt repayments. This fund cannot be used to support General Revenue budgets. There is no equivalent fund balance within the HRA account principally due to the ending of the Right to Buy.
 - General Services Capital Fund which - established in recent years from flexibility from year end underspends, in order to mitigate against the future impact of growing capital infrastructure commitments. Unlike the Capital Receipts reserve this Fund does have the flexibility to be transferred to other General Reserves.

Management of Risk

- 5.7 The economic environment can have a significant impact both in terms of the deliverability of capital investment programmes and also the funding of these programmes, and the Council must fully understand these risk and ensure these are managed in a practical and prudent approach. There are risks associated with the infrastructure costs due to the included within the capital plans due to inflationary increases particularly relating to projects which are not due to commence in the short term. Similarly, there are risks associated with funding the capital investment plans relating to any future level of interest rates and associated cost of borrowing, and cash flow management as well as the timing and realisation of any anticipated capital receipts, and other associated contributions. The Council has approved a new Developers Contribution Framework (DCF) as part of the recently adopted Local Development Plan (LDP). This framework details the additional capacity and funding required from developers to support the LDP and infrastructure requirements. Any change in

economic conditions can place a significant risk on the Council on the timing of any developers contribution, and associated level of investment required.

5.9 Given the scale of the future capital programme and associated risks, the financial strategy and associated supporting strategies (including Capital Strategy and Treasury Management Strategy) must support the effective management of these risks. Affordability remains key in investment decisions and ensuring that the Council has in place a prudent approach to management of risk.

- The Treasury Management Strategy specifically sets out the prudential indicators and operational boundaries which the Council should operate including effective management of the Capital Financing Requirement, and future investment decisions.
- Furthermore the Treasury Strategy sets out the Council's approach to treasury management investment decisions and ensures that surplus monies are providing adequate liquidity before considering any potential investment and related return. This is consistent with the Council's adopted prudent approach to managing investment risk and return.
- The Financial Strategy sets out a number of requirements to both assist capital investment decisions and importantly, manage the associated risk. These include:
 - Maximising the income generation available to the Council including any associated capital funding.
 - Maximising the use of the Council's assets, reviewing our existing asset base to ensure that it meets the new ways of working, and work in partnership with other public agencies to make best use of our assets and provide a more joined up service. This can ensure that any future capital and revenue investment is targeted and prioritised.
 - Continuing to invest where appropriate in the Capital investment programme, ensuring the plans will support the Council's key priorities, and remain affordable based on a clear understanding of both capital and future revenue costs, with future loans fund charges to be set at a limit over the lifetime of the project of no more than 12% of the total revenue income (RSG + specific grants and Council Tax).
 - Develop an approved five year General Services Capital Plan (for both General Services and HRA) underpinned by longer term models which seeks to minimise net borrowing requirements and is considered affordable both in terms of prudential limits and within the constraints of the three year revenue budget.

- Apply flexibility in the application of capital receipts to maximise any potential interest rate fluctuation.
- Continuing to manage and review the General Services Loans Fund balance, maximising the use and application of capital receipts, capital grant, and any flexibility arising from revenue balances, in order to minimise the future impact of debt charges.
- For HRA, ensuring that the Council stays within the recommended upper limit for the ratio of debt charges to income of 40%, maximising the use and application of capital receipts, capital grant, and any flexibility arising from revenue balances, in order to minimise the future impact of debt charges. This limit maintains an appropriate long term balance between the various elements of the HRA budget.

6. Approved Capital Investment Programme

6.1 In February 2018 the Council approved spending plans covering a 5 year period for both General Fund and HRA Capital Programme. A summary of the spending plans are set out below, and includes major investment in schools, community, roads, transportation, ICT as well as property lifecycle management programmes. These budgets are supported by longer term spending plans, and are updated and approved annually as part of the formal budget setting process, to ensure that the capital investment decisions remain appropriate and affordable.

6.2 The most significant area of investment relates to the school estate, where significant investment is required to provide new and expanded education capacity for pupils arising from new development, and over the next 10 years, the estimated level of investment is likely to be in excess of £135 million. This will be funded in part from developers contributions, and the Council will continue to collaborate with the Scottish Futures Trust (SFT) to identify additional grant to deliver a well-designed school estate.

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
General Services Gross Exp	44,974	46,097	52,639	59,572	59,768
HRA Gross Exp	24,364	37,683	33,754	37,952	33,818
TOTAL Gross Exp	69,338	83,780	86,393	97,524	93,586
TOTAL Income	(29,862)	(46,817)	(44,995)	(49,589)	(59,474)
Net Borrowing	39,476	36,963	41,398	47,935	34,112

7. Summary

7.1 The Council continues to face much uncertainty, a wide range of risks and an increasingly difficult financial environment. The Council is ambitious in its vision to become the best place to live in Scotland, and if to remain sustainable, the way in which we deliver services to the community must change. The need to invest in infrastructure to support these ambitious plans remains a key focus for the Council. What remains clear is that the affordability must drive appropriately informed capital investment decisions for both the current and future residents of East Lothian.

REPORT TO: East Lothian Council

MEETING DATE: 11 December 2018

BY: Deputy Chief Executive (Resources and People Services)

SUBJECT: Outcome of the Feasibility Study on a Secondary School Common School Day

6

1 PURPOSE

- 1.1 To share the findings of the feasibility study in relation to the potential educational benefits arising from a common secondary school day.
- 1.2 To seek approval to take forward plans to implement a common secondary school day to realise the potential educational benefits arising from a common secondary school day.

2 RECOMMENDATIONS

The Council is asked to:

- note the outcome of the feasibility consultation;
- approve the phased implementation of a common secondary school day, including the necessary changes to any affected primary school and specialist provision; and
- approve the introduction of an agreed period allocation per week for all secondary schools to support consortia arrangements.

3 BACKGROUND

- 3.1 East Lothian Council's Cabinet approved the launch of a feasibility study and consultation on the introduction of a common secondary school day, and the potential resultant benefits for primary education, on 12 June 2018 (Appendix 1).
- 3.2 The Education Service developed a feasibility consultation document and exercise to determine the views of key stakeholders and implications if the

Council intends to progress with the implementation of a common school day.

- 3.3 Initial discussions were held with all six secondary head teachers with a further meeting held including the secondary depute head teachers, members of the Primary School Executive Group and representatives from services who would be impacted by the change.
- 3.4 Secondary head teachers agreed to progress the proposal to create a common secondary school day within a 32/33 period week (currently 27 in 5 secondary schools). The Primary Head Teacher Executive members in attendance and contributing to the debate agreed that it was appropriate to involve the affected primary school staff, parents and pupils in the development of any future plans to enable the implementation of the proposal. Given the differing views on the period allocation and timings within the secondary school day, two different timetables were proposed during the feasibility consultation exercise with views sought on a preferred option.
- 3.5 Services who would be impacted by the proposed changes to the school day were involved in a workshop to capture their views. These included Customer Services (school libraries), Sport, Countryside and Leisure (Active Schools), Facilities Management (catering and cleaning), Transportation (home-to-school transport) and Human Resources. Participant feedback was generally positive. It was noted that there would be changes required to start and finish times for some staff, and there may require to be changes to the number of working hours for a small number of staff depending on the times agreed for lunches.
- 3.6 Active Schools felt that the change was positive as an earlier end to the school day would provide them with time to run activities after school with potentially improved transportation from school to home.
- 3.7 Facilities Management advised that consideration will need to be given to the logistics regarding a revised lunch period and the space within which pupils have their lunch. Contracts for staff on shorter hours may be affected, and start and finish times may have to change for some catering and cleaning staff.
- 3.8 FES have advised that both options have the same start and finish time of 0830h and 1525h. Core hours for secondary schools are 0800h to 2200h. Dependent upon the option proposed the current programmer system may have to have outputs reset (and/or unit replaced) to accommodate the extra times for alterations to the lockdown strategy for securing individual doors to assist in stopping intruders gaining access.

Consultation

- 3.9 Views from teaching staff, parents, pupils and members of the public were sought over a three week period from Tuesday 23 October until 11 November 2018. The Feasibility Consultation Document was made available on the East Lothian Council Consultation Hub. Public drop-in sessions were held in two central secondary schools: Knox Academy and

Ross High School. Information was provided about the proposed changes and a series of questions were asked. The questions and feedback are summarised within Appendix 2.

- 3.10 A workshop was held with secondary school teaching staff on 22 October 2018 to brief staff about the proposal and encourage staff to provide a response via the consultation hub. Education officers have discussed informally with the relevant trade unions and continue to do so to address any concerns about the proposed change.
- 3.11 The Education Service provided stakeholders with a short online or paper questionnaire and also made arrangements for receiving additional written responses. The Education Service received 399 responses to its questionnaire during the consultation period and two written submissions after the consultation period which have been included in the data and analysis. The Education Service received five email queries during the consultation period.
- 3.12 Overall, there is positive support to implement a common secondary school day and a 32-period week as indicated below with further detail provided within Appendix 2.

Question 1. Would you be supportive of the proposal to introduce a secondary school common school day in all East Lothian secondary schools?

	Yes		No	
	No.	%	No.	%
	All Respondents	286	72%	113

Question 2. Would you be supportive of the proposal to introduce a 32-period secondary school week in all East Lothian secondary schools?

	Yes		No	
	No.	%	No.	%
	All Respondents	242	61%	157

Question 3. Of the two timetable options provided (Option A and Option B), which would you support?

	Option A		Option B		Neither	
	No.	%	No.	%	No.	%
	All Respondents	216	54%	137	34%	46

- 3.13 Should the Council approve the recommendations a consultation process would begin with staff impacted by the changes, followed by a maximum of 12 weeks' notice to introduce the new working arrangement. This 12-week notice period is to give individuals time to make any changes to

personal arrangements to allow them to work at the required times and is not a contractual stipulation.

- 3.14 The recommendations would be shared with affected staff and relevant Trades Unions (TUs), with meetings arranged with TUs to discuss staffing implications arising from the report. General changes will be notified by the relevant Head of Service. Specific changes to when or where an individual is required to work will be notified in writing by the relevant line manager. Whilst individual total contractual hours of employment will not be unilaterally altered, for some, when they are required to work will be varied.

Conclusion

- 3.15 The proposals in this document will support the delivery of a number of objectives of the East Lothian Council Plan 2017 – 2022, including:
- Reducing inequalities within and across communities: Implement the recommendations within the Poverty Commission Action Plan
 - Growing our economy: Reduce unemployment and improve employability
 - Growing our people: Reduce the attainment gap and raise the attainment and achievement of our children and young people and improve the life chances of the most vulnerable people in society
 - Growing our capacity: Deliver excellent services as effectively and efficiently as possible within our limited resources
- 3.16 The proposals also support several outcomes in the East Lothian Council Education Service Improvement Plan, including:
- Improve inclusion, wellbeing and equality
 - Improve attendance and reduce exclusions
 - Raise attainment and achievement, particularly the lowest 20%, Looked After Children (LAC) and Additional Support Needs (ASN)
 - Improve positive destinations, particularly the lowest 20%, LAC and ASN
 - Developing our Young Workforce, including increasing the percentage of young people undertaking vocational qualifications at SCQF level 5 or better.

Next Steps

- 3.17 Should Council approve the recommendations, the Education Service will work with key stakeholders, trade unions and Council services on a phased implementation programme. The procurement of a new home-to-school transport contract will be pursued to accommodate the proposed changes to school start and finish times. Service review(s) reports identifying contractual changes to specific jobs will be completed as necessary in

consultation with the Trades Unions and in conjunction with the Service Review Team in HR.

4 POLICY IMPLICATIONS

4.1 The subject of this report does not impact on any policies.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report has been through the Integrated Impact Assessment process and no negative impacts have been identified.

6 RESOURCE IMPLICATIONS

6.1 Financial – It is not anticipated that there will be any significant ongoing costs as a result of these recommendations.

6.2 Personnel - There will be implications for staff including changes to start and finish times for teachers and other school based staff. If there are any changes to paid contractual hours, these will be subject to a separate service review report as detailed above.

6.3 Transport – There will be changes to the home-to-school transport contractual arrangements when the changes to the school day take effect. These will be incorporated into the new contract which is due to be tendered in early 2019.

7 BACKGROUND PAPERS

7.1 None

AUTHOR'S NAME	Fiona Robertson
DESIGNATION	Head of Education
CONTACT INFO	frobertson@eastlothian.gov.uk
DATE	23 November 2018

REPORT TO: Cabinet

MEETING DATE: 12 June 2018

BY: Deputy Chief Executive (Resources and People Services)

SUBJECT: Proposal to Introduce a Common Secondary School Day

1 PURPOSE

- 1.1 East Lothian Council wishes to deliver on its commitment to reduce the attainment gap and raise the attainment and achievement of our children and young people and improve inclusion, wellbeing and equality throughout East Lothian's schools. In order to support the delivery of this commitment, it is proposed that the Council considers the introduction of a common secondary school day, and the potential resultant benefits for primary education.

2 RECOMMENDATIONS

- 2.1 It is recommended that Cabinet approve the launch of a feasibility study and consultation on the introduction of a common secondary school day, and the potential resultant benefits for primary education.

3 BACKGROUND

3.1 Common Secondary School Day

- 3.1.1 A feasibility study and consultation would consider and explore the following:
- 3.1.2 All six East Lothian secondary schools have historically had considerable autonomy in planning their school days and curricular arrangements. This has resulted in six different structures, length of the school day and different levels of access in terms of experience and opportunity, depending on where a young person attends school. As a result of this mixed economy across secondary schools, there is an inequity of opportunity, experience and resource within our system of education, potentially disadvantaging some young people. Attainment, aspiration, pace and challenge for all young people, but especially for looked after children, minorities, vulnerable groups and S4 leavers is significantly different from school to school, which runs contrary to the Common Moral Purpose and the Public Proposition of the East Lothian Council Education Service.

3.1.3 There is significant variation in:

- The range of vocational qualifications and experiences (geographic and time restrictions in relation to Schools College Partnership (SCP) courses).
- The breadth of experience and time dedicated to ensure young people's full entitlements to the broad range of curricular outcomes and experiences.
- The Religious and Moral Education, Personal and Social Education and Physical Education entitlement in the senior phase.
- The range of Advanced Higher and Higher courses.
- The number of qualifications being offered in S4.
- The levels of Literacy and Numeracy achieved by school leavers in S4.
- The number of qualifications expected and further education opportunities readily available for this cohort and winter leavers.
- The breadth of curriculum in the senior phase through the impact of specialization on minority subjects.
- Access to wider experiences and opportunities to achieve success through awards such as the Duke of Edinburgh's Award Scheme.

3.1.4 It is proposed that we carry out a feasibility study which would look at realigning our consortia arrangements to meet the aspirational goals of the One Council agenda, by creating a common secondary school day and a common curricular structure. This will create a more equitable educational experience, where schools support each other to get the best outcomes and opportunities for young people across East Lothian.

3.1.5 The common secondary school day will also support the delivery of the Council's commitment to improving options in the Senior Phase (S4 – S6) through the use of IT to enhance/support the delivery of the curriculum, which has a budgeted saving of £160,000 in 2019/20.

3.1.6 Every secondary school would start and end at the same time and run the same curricular period structure (27, 32 or 33 periods). The final decision on start and finish times and timetable structure will reflect the consensus reached through the consultation process. Schools would have the opportunity to agree common timetabling arrangements, which should lead to joint delivery, mutual support, sharing of best practice and collaborative professional development opportunities. A wealth of research suggests that schools who look outwards have more successful outcomes. Appendix 1 provides an illustration of what a 33-period common school day could look like.

3.1.7 Each secondary school would incorporate travel time for inter-authority learning, college, university and work experience. The proposed change would enable East Lothian Council to meet the local, regional and national priorities outlined in the Scottish Government's seven year 'Developing the

Young Workforce - Scotland's Youth Employment Strategy' (2014), whilst reviewing and improving the curricular opportunities and experience of all of East Lothian's young people. This school to school collaboration would lead to a greater equity of resource and opportunity for young people across East Lothian and as a result, barriers to travel would be reduced.

- 3.1.8 East Lothian secondary schools are pursuing a strategic skills development agenda, involving the delivery of Foundation Apprenticeships in specialist departments located in the six secondary schools and will involve young people traveling between schools on a Tuesday and Thursday afternoon. The move to a common school day/timetable would enable East Lothian Education Department to make bids in to the 'Employability and Skills' fund for the City Deal. We would also receive the support of Skills Development Scotland and both the Regional and Local DYW group. This would lead to greater involvement of employers in the creation of talent and new, easily accessible, Modern Apprenticeships with these partners.
- 3.1.9 Secondary lunchtimes would be scheduled to allow all young people in East Lothian to access the full vocational offer whether this is delivered in their home school, a neighbouring school, a college, an employer or a university. In the existing system it is difficult to plan coherent pathways with the college and employers when the school days are so different. Transport and resources cannot be easily shared.

3.2 Changes to Primary School Day

- 3.2.1 In order to deliver a common secondary school day it will be necessary to change the start and finish times of East Lothian's primary schools. This is to ensure cost-effective transportation can continue to be provided through the sharing of school buses.
- 3.2.2 The changes to proposed start and finish times would mean that all East Lothian primary schools would start and finish at the same time. Individual schools could start up to 30 minutes earlier, or finish up to 30 minutes later than they do at present, depending on the consensus reached through consultation.
- 3.2.3 If the primary school start and finish times are not adjusted to match the secondary school time changes, the cost for additional transport would be approximately £190,000. There would be an immediate impact for Dunbar Grammar School cluster, North Berwick High School cluster and Knox Academy cluster where additional transport would have to be procured.
- 3.2.4 However by adjusting the primary school start and finish times to align with the secondary school day there could be a saving generated of approximately £76,000.

3.3 Increase of Number of Hours of Education for Primaries 1 and 2

- 3.3.1 As a consequence of aligning both secondary and primary school days, this offers an important opportunity to consider increasing the number of hours of education for primaries 1 and 2. Current legislation states that children and young people should experience 190 days of education.

Currently, legislation does not state the length of a school day. Recent inspection outcomes highlight an inequity of experience for those P1 and P2 children receiving less hours of education than their peers in P3 to P7. Twenty-nine out of the 32 Scottish Councils already provide 25 hours of education for all primary school children.

- 3.3.2 In East Lothian Council children in primaries 1 and 2 receive 22.5 hours of education per week, as opposed to 25 hours for those in primaries 3 to 7. Curriculum for Excellence sets out key principles that children have a range of entitlements in their learning. It is challenging for teachers to provide the same broad, balanced curriculum, across eight curricular areas, to all children, when some of the children are in school for 10% less time.
- 3.3.3 There is an additional benefit of moving to providing 25 hours of education for all primary school children, for those families who have children finishing school at different times of the day. Parents, carers, and young children often have no choice but to wait in the playground for the time between the younger child and older sibling finishing school.
- 3.3.4 There is also a potential saving in childcare costs for parents and carers with children in primaries 1 and 2 if the school day is extended.
- 3.3.5 There are 15 P2/3 composite classes in East Lothian at this time. The earlier finish time for P2 means that some teachers are teaching only a proportion of their class for 2.5 hours per week when some of their pupils have finished before others.
- 3.3.6 However it must be noted that, in order to provide an additional 2.5 hours of education per week for children in primaries 1 & 2, it is estimated that an additional 11.2 FTE teaching time would be required, at a cost of approximately £518,000 per annum.

3.4 **Conclusion**

- 3.4.1 The proposals in this document will support the delivery of a number of objectives of the East Lothian Council Plan 2017 – 2022, including:
- Reducing inequalities within and across communities: Implement the recommendations within the Poverty Commission Action Plan
 - Growing our economy: Reduce unemployment and improve employability
 - Growing our people: Reduce the attainment gap and raise the attainment and achievement of our children and young people and improve the life chances of the most vulnerable people in society
 - Growing our communities: Extend community engagement and decision making and increase community and individual resilience
 - Growing our capacity: Deliver excellent services as effectively and efficiently as possible within our limited resources

3.4.2 The proposals also support several outcomes in the East Lothian Council Education Service Improvement Plan, including:

- Improve inclusion, wellbeing and equality
- Improve attendance and reduce exclusions
- Raise attainment and achievement, particularly the lowest 20%, LAC and ASN
- Improve positive destinations, particularly the lowest 20%, LAC and ASN
- Improve the percentage of schools and early learning and childcare settings evaluated as good or better across the NIF quality indicators

3.5 **Next Steps**

3.5.1 Should Cabinet agree the principles outlined in this report, a feasibility study will be undertaken, followed by a consultation with staff, pupils, parents, carers and stakeholders.

3.5.2 The findings from the feasibility study and consultation process and the resulting proposals will be brought back to Council later in 2018.

4 **POLICY IMPLICATIONS**

4.1 The subject of this report does not impact on any policies. A full assessment of policies affected will be undertaken as part of the feasibility study and consultation.

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.

A full integrated impact assessment will be completed as part of the feasibility study.

6 **RESOURCE IMPLICATIONS**

6.1.1 Financial – There are additional costs associated with extending the school day for children in primaries 1 and 2 of approximately £518,000. The actual cost will be confirmed during the feasibility study. The cost would be offset in part through the adjustment of primary school start and finish times, which would lead to a transport saving of £76,000. However the balance will have to be funded and proposals will be brought forward, including the review of the current arrangements for home to school transport. Full financial implications will be considered during the feasibility study.

6.2 Personnel - depending on the outcome of the feasibility study there could be implications for staff including the requirement for additional teachers and the changing of start and finish times for teachers and other school based staff. A staff consultation will take place alongside the public consultation.

6.3 Other – None.

7 BACKGROUND PAPERS

7.1 None

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DATE	12 June 2018

**Appendix 1: Possible Common Timetable for Secondary Schools
(Based on 33-Period Week)**

	1	2	3	4	5	6	7	8	9
	8.30- 9.20	9.20- 10.10	10.10- 10.25	10.25- 11.15	11.15- 12.05	12.05- 12.55	12.55- 13.45	13.45-14.50	14.50-15.40
Monday				Break			Lunch		
Tuesday			Break			Lunch			
Wednesday				Break			Lunch		
Thursday			Break			Lunch			
Friday				Break			Pupils Go Home		

COMMON SECONDARY SCHOOL DAY FEASIBILITY CONSULTATION REPORT

This report has been published as a result of a feasibility consultation undertaken by East Lothian Council's Education Service. This feasibility consultation was a fact finding exercise to gather views and opinions on the proposed implementation of a common secondary school day.

BACKGROUND

East Lothian Council is committed to reducing the poverty related attainment gap, raising the attainment and achievement of our children and young people and improve inclusion, wellbeing and equality.

In order to support the delivery of this commitment, at the Council's Cabinet meeting, 12 June 2018, approval was given to undertake a feasibility study in relation to the Educational Benefits arising from a common secondary school day.

As a result East Lothian Council's Education Service undertook a feasibility consultation exercise to gather views on the following proposals for the Council to consider within its plans for the delivery of education both now and in the future:

- The introduction of a common secondary school day
- The introduction of a 32 period week for secondary schools
- Increased contact time in primary schools for P1 and P2 if this reflects Best Value

(Education Authorities are required to secure Best Value by continuous improvement in performance of the authority's functions, maintaining an appropriate balance between quality and cost.)

THE CONSULTATION PROCESS

The feasibility consultation ran from Tuesday 23rd October until Sunday 11th November.

Drop-in sessions were held in respect of the proposals at the venues below, at which any members of the public and East Lothian Council staff were welcome to attend:

Venue	Date	Time
Knox Academy	1 st November 2018	3:00pm – 7:30pm
Ross High School	6 th November 2018	3:00pm – 7:00pm

Ongoing consultation with pupils is being undertaken to gather additional views to those submitted by pupils during the consultation period in line with our commitment to involve children and young people in shaping and influencing their education.

RESPONSES TO THE CONSULTATION EXERCISE

As part of the consultation process, the Education Service sought the views of key stakeholders. Information about the consultation was placed on the Council's website and with links to the Council's Facebook and Twitter sites.

The Education Service provided stakeholders with a short online or paper questionnaire and also made good arrangements for receiving additional written responses. The Education Service received 399 responses to its questionnaire during the consultation period.

The Education Service received two written submissions to its consultation after the consultation period and these have both been included in this report.

The Education Service received five email queries during the consultation period.

The questionnaire responses are summarised by category in the following tables:

Table 1 – Number of respondents by type of respondent

Type of Respondent	No. of Responses	% of Responses
Groups	4	1%
Individuals	395	99%
Total Responses	399	100%

Table 2 – Number of individual respondents by category

Individual Respondents	No. of Responses	% of Responses
Parents	213	54%
Staff	157	40%
Pupil	24	6%
Other/Unknown	1	<1%
Total Responses	395	100%

Table 3 – Number of group respondents by category

Group Respondents	Number of Responses	% of Responses
Parent Council	1	25%
School	2	50%
Organisation	1	25%
Total Responses	4	100%

Table 4 – Number of responses by age of children of the respondent

Ages of children	Number of Responses	% of Responses
Not yet in Education	11	4%
Age 3-5	18	6%
P1-3	52	17%
P4-7	94	30%
S1-6	135	43%
No longer in Education	4	1%
Total Responses	314	100%

N.B. The total number of responses is higher than the number of parents who responded to the consultation due to those parents who have children in different categories.

RESPONSE ANALYSIS

The number of responses to the consultation in support or not in support of each question by category of respondent are shown in Tables 5 to 16 below:

Question 1 - Would you be supportive of the proposal to introduce a secondary school common school day in all East Lothian secondary schools?

Table 5 – All Responses to Q1

	Yes		No	
	No.	%	No.	%
	All Respondents	286	72%	113

Table 6 – Individual Responses to Q1

Individual Respondents	Yes		No	
	No.	%	No.	%
Parents	156	55%	57	51%
Staff	114	40%	43	38%
Pupil	12	4%	12	11%
Other/Unknown	1	<1%	0	0%
Total Responses	283	100%	112	100%

Table 7 – Group Responses to Q1

	Yes		No	
	No.	%	No.	%
	Group Respondents	3	75%	1

Below is a brief overview of the benefits identified and concerns raised by respondents:

Benefits Identified

- More Consistency
- Allows pupils to travel to other schools and colleges
- Easier for transport
- Provides continuity across the authority
- Shared resources between schools
- Access to after school events
- Allows for collaboration
- Equal opportunities for all pupils across the authority
- Helps with DYW
- Easier for pick up and for working parents
- More time for Active Schools
- Shorter lessons could make it easier for pupils to focus and make the lessons more productive
- Better opportunities for partnerships
- More opportunities for pupils to access qualifications and college courses
- Greater flexibility of secondary school courses
- School activities and training would be easier to coordinate
- Broadens the options in the Senior Phase
- Children would get home when it is a little bit lighter

Concerns Raised

- Lack of flexibility
- Capacity on school buses
- Where is the evidence/research?
- Unnecessary stress/ workload for staff
- Shorter periods could cause disadvantaged pupils to fall behind
- Reduced break times would not be beneficial
- Concern that all Advanced Highers will be moved to a central location
- Change for the sake of change
- Lack of time for lunchtime clubs
- Concerns about earlier start time for rural pupils
- This is just a cost saving exercise
- Increase in traffic congestion
- Could cause confusion for all
- Concerns around transport logistics for after school activities

Question 2 - Would you be supportive of the proposal to introduce a 32 period secondary school week in all East Lothian secondary schools?

Table 8 – All Responses to Q2

	Yes		No	
	No.	%	No.	%
	All Respondents	242	61%	157

Table 9 – Individual Responses to Q2

Individual Respondents	Yes		No	
	No.	%	No.	%
Parents	144	60%	69	44%
Staff	93	39%	64	41%
Pupils	2	<1%	22	14%
Other/Unknown	0	0%	1	<1%
Total Responses	239	100%	156	100%

Table 10 – Group Responses to Q2

Group Respondents	Yes		No	
	No.	%	No.	%
		3	75%	1

Below is a brief overview of the benefits identified and concerns raised by respondents:

Benefits Identified

- Supports the curriculum better
- Option to receive education in other schools if course not provided in your own
- Easier collaboration between schools
- This would give all young people the same chances
- Standardises timetables across the authority
- Children learn more in shorter stints
- Timings would be more productive for senior phase students attending college courses
- Alignment across schools would allow for shared resources and increased opportunities
- Provides more time for support and revision
- Introduces more subjects for pupils to access
- Allows for additional classes which can lead to a breadth of curriculum
- Provision for services easily managed as all schools are working to the same times
- Allows for more personalisation to suit pupils needs

- Allows pupils flexibility to develop skills and knowledge

Concerns Raised

- Workload implication of shorter periods
 - Reduction in actual learning time per period
 - Loss of individuality
 - Children will have the same day, 5 days a week
 - Too many lessons in each day
 - All courses will have to be amended for 50 minute periods
 - Non-contact duties will increase for teachers
 - More time spent travelling between classes therefore a reduction in learning time
 - Reduction in lunch time reduces time for social interactions
 - Concerns around practical subjects operating in shorter periods
 - The current system works so should not be changed
- Concerns about career development at schools if a certain subject is not taught beyond Highers

Question 3 - Of the two time table options provided (Option A and Option B) which would you support?

Table 11 – All Responses to Q3

	Option A		Option B		Neither	
	No.	%	No.	%	No.	%
All Respondents	216	54%	137	34%	46	12%

Table 12 – Individual Responses to Q3

Individual Respondents	Option A		Option B		Neither	
	No.	%	No.	%	No.	%
Parents	130	61%	59	43%	24	52%
Staff	66	31%	73	54%	18	39%
Pupil	16	8%	4	3%	4	9%
Other/Unknown	1	<1%	0	0%	0	0%
Total Responses	213	100%	136	100%	46	100%

Table 13 – Group Responses to Q3

	Option A		Option B		Neither	
	No.	%	No.	%	No.	%
Group Respondents	3	75%	1	25%	0	0%

There were a number of respondents who raised concerns at the fact there was no third option to select 'Neither' or 'I don't know'. As a result, if it was explicitly stated in the accompanying comment box that the respondent wished to have their selection disregarded, the response was counted as 'Neither'.

Below is a brief overview of the comments regarding each of the options:

Comments Regarding Option A

- Pupils do not have to wait too long until break time.
- Class subjects more evenly spaced between breaks.
- Supports the curriculum
- Better spread of timetable
- The day is balanced
- Consistency across the week
- Earlier Lunch
- Allows children to pace themselves throughout the day
- 3 periods in the afternoon is detrimental/too much for staff and pupils
- Easier for the pupils to work with
- Offers pupils the best opportunity for flexibility without disrupting lessons and learning
- Pupils who truant in the afternoon would miss 3 periods instead of just two

Comments Regarding Option B

- Shorter afternoon is more productive for pupils
- More periods in the morning when pupils are more awake
- The afternoon is broken up better
- Having a shorter afternoon would have less impact on other subjects for college pupils.
- Pupils are often tired and lose focus in the afternoons so a shorter afternoon would be better
- Easier to teach and manage workload for teachers
- Offers more flexibility with timetabling
- Too long between breakfast and break
- Lunch time is too late
- Waste of time in the afternoon
- The day is unbalanced

Comments Regarding Neither Option

- Concerns that the start times are too early
- The lunch break is too short
- A 50 minute period is too short
- Prefer the current school structure
- Shorter more frequent periods interrupt learning and are disruptive.

Question 4 - Would you be supportive of an increase in the contact hours of P1s and P2s to 25 hours a week if this was found to be feasible?

Table 14 – All Responses to Q4

All Respondents	Yes		No	
	No.	%	No.	%
	237	59%	162	41%

Table 15 – Individual Responses to Q4

Individual Respondents	Yes		No	
	No.	%	No.	%
Parents	134	57%	79	49%
Staff	93	40%	64	40%
Pupil	6	3%	18	11%
Other/Unknown	1	<1%	0	0%
Total Responses	234	100%	161	100%

Table 16 – Group Responses to Q4

Group Respondents	Yes		No	
	No.	%	No.	%
	3	75%	1	25%

Below is a brief overview of the benefits identified and concerns raised by respondents:

Benefits Identified

- Increased access to specialist teachers e.g. music
- Extra learning in the classroom will be valuable
- Easier for parents when collecting siblings
- Less confusion for children if they are in for the same length of time as P3-7
- Allows for a more balanced day/week
- More opportunities for teaching and learning
- Easier to coordinate composite classes.
- More time to focus on literacy and numeracy in early years
- We would be in line with other authorities across Scotland
- Shorter lunch time, some pupils are out for too long at this time
- More opportunity to take part in activities that are not seen as essential for the curriculum
- Equality of education

Concerns Raised

- Increases teacher workload
- More non class contact time has a negative impact on morale

- The school day is already too long
- How is this going to be funded?
- This needs to be about educational benefit rather than providing more childcare for parents.
- Children may be too tired to focus as the term progresses
- Increase in class disruptions and may affect the mental health of children
-

CONCLUSION

72% of respondents would be supportive of the proposal to introduce a secondary school common school day in all East Lothian secondary schools, whereas 28% would not be supportive.

61% of respondents would be supportive of the introduction a 32 period secondary school week in all East Lothian secondary schools, whereas 39% of respondents would not be supportive.

Of the two timetable options, 54% of respondents would be supportive of Option A compared to 34% who would be supportive of Option B. 12% of respondents stated that they were not supportive of either Option A or Option B.

59% of respondents would be supportive of an increase in the contact hours of P1s and P2s to 25 hours if this was found to be feasible, whereas 41% of respondents would not be supportive.

REPORT TO: East Lothian Council

MEETING DATE: 11 December 2018

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Outcome of the Statutory School Consultation on the Proposed Closure of Prestonpans Infant & Nursery School And Prestonpans Primary School And The Establishment Of A New Non-Denominational Primary School Structure And Its Associated Catchment Area For Prestonpans

7

1 PURPOSE

- 1.1 To share the outcome of the proposal to close Prestonpans Infant & Nursery School and Prestonpans Primary School and establish a new non-denominational single primary school structure covering Nursery to P7 and its associated catchment area for Prestonpans.
- 1.2 To seek approval for the recommendation set out within the Consultation Report (available in the Members' Library, Ref: 177/18, December 2018 Bulletin) to close Prestonpans Infant & Nursery School and Prestonpans Primary School and establish a new non-denominational single primary school structure covering Nursery to P7 and its associated catchment area for Prestonpans.

2 RECOMMENDATIONS

- 2.1 The Council is asked to approve on the basis of the outcome of the school consultation and taking account of the educational and social benefits of the proposal that:

- i. subject to the conclusion of the Scottish Ministers eight-week call-in period or the notification of the outcome of a call-in, as appropriate, Prestonpans Infant & Nursery School and Prestonpans Primary School will be closed and a new single primary school structure covering Nursery to P7 and its associated catchment area will be established for Prestonpans;
- ii. the closure of Prestonpans Infant & Nursery School and Prestonpans Primary School and the establishment of the new single primary school structure and its associated catchment area will take effect from February 2019, or as soon as possible thereafter.

3 BACKGROUND

- 3.1 The *Education (Scotland) Act 1980* places a legislative duty on the Council to make adequate and efficient provision of school education across their area. This duty applies in respect of both the current school population and anticipated pattern of demand. Section 3 of the Standards in Scotland's Schools etc Act 2000 requires authorities to "*endeavour to secure improvement in the quality of school education which is provided in the schools managed by them; and they shall exercise their functions in relation to such provision with a view to raising standards of education*". Section 3D of the 2000 Act (as inserted by section 2 of the 2016 Act) introduces a requirement on education authorities to carry out their duty to ensure the delivery of improvement in the quality of school education which is provided in the schools they manage, with a view to achieving the strategic priorities of the National Improvement Framework. In addition, Councils have a statutory duty to secure best value in terms of the Local Government in Scotland Act 2003.
- 3.2 The Council must consult on certain changes in arrangements for educating children in its area before it can commit to delivering them. This includes when proposing a permanent change to any of their schools, including nursery schools, such as closure, relocation or change of catchment area. This proposal required a formal consultation to be carried out in accordance with the Schools (Consultation) (Scotland) Act 2010. The Consultation Report (available in the Members' Library, Ref: 177/18, December 2018 Bulletin) documents the formal consultation undertaken on this proposal between 20 August 2018 and 2 October 2018.
- 3.3 The need for seamless and high quality transition is recognised internationally, nationally and locally and is central to continuity of education and progression through the curriculum. Consistency in our approaches to planning learning, teaching and assessment, particularly at key milestones is vital for learner progression, effective transition and raising attainment for all. Pupil wellbeing is further supported where approaches are consistent through one school.

There is better continuity for pupils in terms of familiarity and confidence and there are increased opportunities for pupils to develop and sustain relationships with their peers and with school staff.

- 3.4 The Prestonpans catchment area is currently served by two separate non-denominational schools: Prestonpans Infant & Nursery School (nursery to Primary 3 stages) and Prestonpans Primary School (Primary 4 to Primary 7 stages) with separate operational and management structures. Until recently, the Prestonpans catchment area was one of only two primary catchment areas in East Lothian where P1 to P3 and P4 to P7 pupils from the same catchment are taught in two separate schools requiring an additional stage transition between P3 and P4. The other primary catchment area in East Lothian was Haddington. Across Scotland there were only three mainstream local authority Infant Schools registered as open as at September 2017. These three schools included Haddington Infant School and Prestonpans Infant & Nursery School. On 24 April 2018, the proposal to close Haddington Infant School and King's Meadow Primary School and establish a new single non-denominational primary school for Haddington was approved and is now being implemented.
- 3.5 The Prestonpans catchment area is now the only primary catchment area in East Lothian where Nursery to P3 and P4 to P7 pupils from the same catchment are taught in two separate schools with separate operational and management structures requiring these pupils to have an additional stage transition between P3 and P4.
- 3.6 The Education Service and schools work together to share effective practice and ensure our children's transitions are well-planned. However, the additional stage transition between P3 and P4 presents additional challenges for children at a key point of learning within Curriculum for Excellence (CfE) First Level. This also presents a more challenging transition stage for staff which is not experienced by staff in almost every other school across East Lothian and indeed more widely across Scotland.
- 3.7 The challenges of the additional stage transition across two separate establishments have been present for a number of years and are also present at Prestonpans Infant & Nursery School and Prestonpans Primary School. Evidence following the Education Service School Reviews of Prestonpans Infant & Nursery School and Prestonpans Primary School in 2016 highlighted that while pastoral transitions were strong between the two schools, they needed to develop stronger and more effective links to improve continuity and progression in children's learning from Nursery to P7 and to improve curriculum transition. While both schools have worked well together to develop more consistent approaches to planning learning, teaching and assessment, it has not been possible to fully address this given that these are schools under two distinct leadership and management arrangements. Transition and continuity

in learning across the stages from Early Level through to Second Level is enhanced by strong, consistent leadership across Early Level through to Second Level.

- 3.8 East Lothian Council's Education Service considers establishing one new primary school covering nursery through to P7 under a single management structure through this proposal will provide the opportunity to develop a coherent and progressive curriculum and enhance transition and continuity in learning across the stages in the Prestonpans catchment area from Early Level through to Second Level. This proposal represents best value in terms of the continuous improvement of early learning & childcare provision and primary education within the Prestonpans area, providing equity across all schools in the Prestonpans cluster in terms of the continuity and progression in learning for primary aged pupils from Nursery through to P7. This proposal will also ensure equity across all schools in the Prestonpans cluster in terms of Leadership and Management arrangements and bring the Leadership and Management model of the two affected schools in line with all the other schools within the cluster and across East Lothian. East Lothian Council's Education Service also considers establishing one new primary school through this proposal to be the preferable option in providing the Head Teacher with the ability to carry out effectively such duties associated with both recent and planned changes within education. While Prestonpans Early Learning & Childcare Centre is a separate establishment with a separate budget and will continue to function as a separate establishment if the proposal is implemented, it does come under the management and leadership of the Head Teacher of Prestonpans Infant & Nursery School
- 3.9 The main considerations relating to the proposed closure of Prestonpans Infant & Nursery School and Prestonpans Primary School and the establishment of a new single primary school structure with nursery class in Prestonpans were fully explained in the Consultation Proposal Document. The main points are highlighted below:
- The responsibilities associated with the National Improvement Framework and the new duties imposed on education authorities by the Standards in Scotland's Schools etc Act 2000 as amended by the 2016 Act.
 - The agreed principles underpinning the development of an empowered school led system set out in the 'Education Bill Policy Ambition – Joint Agreement', June 2018_ <https://www.gov.scot/Publications/2018/06/8745/downloads>
 - The duties placed on local authorities in relation to the adequate and efficient provision of school education in their area.

- The duties placed on local authorities to secure best value in the delivery of services.
- 3.10 The statutory consultation on the proposed closure of Prestonpans Infant & Nursery School and Prestonpans Primary School and establishment of a new non-denominational single primary school structure covering Nursery to P7 and its associated catchment area for Prestonpans commenced at 12.00am on Monday 20 August 2018 and lasted until 12.00am on Tuesday 2 October 2018, being a period of six weeks, which also included the statutory minimum 30 school days. This was in line with the *Schools (Consultation) (Scotland) Act 2010*. Notification of the consultation was given to all statutory consultees prior to the commencement of the consultation. The Consultation Proposal Document was published on [East Lothian Council's Consultation Hub](#) and paper copies distributed on Monday 20th August 2018.
- 3.11 Representations were sought from statutory consultees and the wider public by the completion of an online questionnaire available on the East Lothian Council Consultation Hub. The Consultation Hub also stored all relevant consultation documentation for public viewing. Paper copies of the questionnaire were also distributed at Council buildings around the Prestonpans area. Sealed boxes were also located at Prestonpans Infant & Nursery School, Prestonpans Primary School, Prestonpans Early Learning & Childcare Centre and Prestonpans Community Centre for their return.
- 3.12 Publicity material detailed an East Lothian Council email address, phone number and postal address, to which representations and any other queries could be submitted.
- 3.13 In addition to the public meeting and public drop-in sessions, informal meetings were held with staff at the directly affected schools to discuss any queries or concerns they may have on the proposal based around their availability and at their discretion. Information on the 'Protocol for School Merger' was shared with staff at these meetings and a copy of the protocol was provided to the Head Teacher to share with staff on request. Further additional opportunities to engage with HR staff regarding the protocol were also offered to staff at their discretion.
- 3.14 A representative group of pupils from both Prestonpans Infant & Nursery School and Prestonpans Primary School attended separate workshops where they were able to express their views on the proposal.
- 3.15 Meetings were also held with Prestonpans Infant & Nursery School Parent Council and Prestonpans Primary School Parent Council.
- 3.16 HM Inspectors from Education Scotland undertook their statutory duties in accordance with the *Schools (Consultation) (Scotland) Act 2010*, by reviewing

the educational aspects of the proposal and completing their report. A full copy of the Education Scotland report can be found in Appendix 4 of the Consultation Report.

- 3.17 All submitted representations, including the Education Scotland report, were analysed by East Lothian Council Officers, summarised and answered to in the Consultation Report. The Consultation Report, summarising all representations and East Lothian Council's response, was published on the East Lothian Council Consultation Hub on Tuesday 20 November 2018. This was made publicly available for a period of three weeks, in line with the *Schools (Consultation) (Scotland) Act 2010*.
- 3.18 At the end of the consultation process, *Section 15 of the Schools (Consultation) (Scotland) Act 2010* enables Scottish Ministers to call-in a decision to implement the proposed closure of Prestonpans Infant & Nursery School and Prestonpans Primary School and the establishment of a new single primary school structure with nursery class and its associated catchment area for Prestonpans. Beginning on the day that a final decision has been taken, the Council must notify Scottish Ministers of this decision within a period of six working days. The Council must publish the fact that the Scottish Ministers have been notified and that representations can be made to the Scottish Ministers within the first three weeks of the eight-week period. Scottish Ministers then have a period of eight weeks from and including the date of decision to decide if they will call-in the proposal. The Council may not proceed with the implementation of the proposal until this eight-week period has passed.
- 3.19 If the Scottish Ministers decide to call in a closure proposal, it is then referred to the Convener of the School Closure Review Panels who has a period of seven days after a call in notice is issued to constitute a School Closure Review Panel. The Panel may decide to refuse consent to the proposal, refuse consent and remit it to the education authority for a fresh decision or grant consent to the proposal, either subject to conditions, or unconditionally. The Panel must notify the education authority of its decision within eight weeks from when the Panel was constituted or within 16 weeks if the Panel has issued a notice to the education authority that a decision has been delayed. The Council may not proceed with the implementation of the proposal until the outcome of the call-in has been notified to the Council.

Summary

- 3.20 The Council received 135 responses to its questionnaire during the consultation period. There are 646 families across the two schools, which equates to a response rate of 21%. The Council received one submission to its consultation by email the day after the consultation period had ended. All representations that had been made during the consultation period were

submitted to Education Scotland and any issues or concerns raised are also subject to the Council's response in the Consultation Report. 133 of the responses were from individuals and 2 were from groups.

3.21 33% of all individual questionnaire respondents (44 responses) to the consultation were in favour of establishing a new single primary school structure covering Nursery to P7 for the Prestonpans catchment area, 60% (80 responses) were not in favour and 7% (9 responses) had no opinion. There were responses from 2 groups during the consultation period. Both of these were from the Parent Councils of the two directly affected schools. Prestonpans Infant & Nursery School Parent Council responded that they strongly agreed with the proposal while Prestonpans Primary School Parent Council based on feedback from the wider Parent Forum responded they did not agree with the proposal. A summary of responses by demographic is provided in Section 5 of the Consultation Report..

3.22 A number of questions and issues were raised through the questionnaire and oral responses, and can be grouped as follows:

- What is the main purpose of the proposal and is it just a cost-cutting exercise?
- Who will make the final decision about the proposal and why is there only one option?
- Why is the proposal happening now?
- What are the cost savings of this proposal?
- Will this proposal affect the Pupil Equity Fund (PEF) allocations?
- What evidence is there that this proposal will raise attainment?
- What will the management structure of the new school be and will parents have a say in this?
- Management of one larger school across two campuses and access to the Head Teacher
- What impact will the proposal have on the teaching structure and will the current class structure remain the same within the 2 campuses?
- How will children get the right support they need in a larger single school?
- A split campus will still require a physical transition between P3 and P4
- How will the proposal affect support & admin staff?
- Why does the proposal say February 2019 and when exactly will the new school be established?
- What will happen with the school uniform and will we have to buy another new one?
- If the proposal is approved, will the school start and end times change?
- Where is the Prestonpans Infant School extension going and when will it be extended?

- Are there any plans to build any more new primary schools in the Prestonpans catchment area for all the new housing?
- Are there any plans to change the catchment area for Prestonpans and will the pupils from Blindwells be going to Prestonpans Infant School and Prestonpans Primary School?
- Why are the projected numbers for the nursery class and Prestonpans Early Learning & Childcare Centre not included in the proposal document?
- Why is the local authority not proposing two separate Nursery to P7 schools for the Prestonpans catchment area?
- What research was used to inform the proposal for consultation?

East Lothian Council's response to these are detailed in Section 8 of the Consultation Report.

3.23 The comments made as part of the questionnaire submissions are included in Appendix 1 of the Consultation Report, apart from submissions which consultees did not wish East Lothian Council to share publicly. Even if a submission is not shared publicly, it has still been included in the collation of stakeholder's views and informed the Education Authority's response as detailed in Section 8 of the Consultation Report.

3.24 During the consultation period, Council officers visited Prestonpans Infant & Nursery School and Prestonpans Primary School providing good opportunities for pupils and staff to discuss their views. The Head of Education and a representative from Human Resources attended informal meetings with staff in both schools, held at the staff's discretion. As these were informal, no formal record was taken at these staff sessions. Pupils from Prestonpans Infant & Nursery School were curious about the proposal and had prepared a balanced set of questions in advance. Pupils from Prestonpans Primary School expressed mixed views. A note of the planned pupil voice sessions are included as Appendix 3 of the Consultation Report.

3.25 In line with the *Schools (Consultation) (Scotland) Act 2010*, Education Scotland considered the educational aspects of the proposal and submitted a report to East Lothian Council. As part of this consideration, Education Scotland met with children, staff and parents who may be affected by the proposal. The full report from Education Scotland can be found in Appendix 4 of the Consultation Report. Education Scotland stated that there are overall potential educational benefits to the proposal, despite the practical complexities, as follows:

- The proposal provides an opportunity to improve learning and teaching and further raise attainment for all children in the catchment area;
- The establishment of a single staff team working together to ensure continuity and progression from P1 to P7 should bring greater curricular

coherence, improved consistency of expectations and increased moderation of standards;

- Children should benefit from improved progression planning to better meet their needs; and
- Removing the need for an additional transition to a different school at the end of P3 is likely to reduce any possible risk of a slowing down of progress as children progress through the first level of Curriculum for Excellence.

3.26 Education Scotland reported that parents and staff across the two schools and the Early Learning and Childcare Centre hold significantly different views about the educational benefits of the proposal.

3.27 Education Scotland noted that East Lothian Council in taking the proposal forward, should continue to engage and work with all stakeholders to address their concerns. Education Scotland also stated that *“an effective communication strategy and an action plan based on the needs of the establishments affected will be essential for the council to keep all stakeholders informed and engaged. The council should include details of these in its final report.”*

3.28 The Education Authority has set out its commitment to ongoing engagement with all stakeholders and the process for taking the proposal forward within Sections 8 and 10 of the Consultation Report. Details on the process for transitioning to the new school structure were also made publicly available during the consultation period through the Consultation Proposal Document, the Frequently Asked Questions document on the Consultation hub and shared at the Public meeting.

3.29 Following receipt of a total of 135 questionnaire responses and consideration of feedback from consultees and Education Scotland, officers reviewed the proposal. The feedback from the consultation was considered by relevant officers within the Council’s Education, Finance, Human Resources and Property Services. This ensured that the Council met the requirements of sections 9(1), 12 and 13(3) (b) of the 2010 Act.

3.30 Following completion of the statutory school consultation exercise, the Council has 3 options to consider, namely:

- i. approve, on the basis of the outcome of the school consultation and taking account of the educational and social benefits of the proposal, that:
 - a. subject to the conclusion of the Scottish Ministers eight-week call-in period or the notification of the outcome of a call-in, as appropriate, Prestonpans Infant & Nursery School and Prestonpans Primary

School will be closed and a new single primary school structure covering Nursery to P7 and its associated catchment area will be established for Prestonpans;

- b. the establishment of the new single school structure will take effect from February 2019, or as soon as possible thereafter.
 - ii. withdraw the proposal. The two schools would remain as separate establishments with separate staffing structures, management teams and identities. While the Education Service would continue to work with both schools to focus on the improvement in the consistency of learning & teaching and continuity and progression the Council may not be able to fully address the additional transition challenges for children, staff and parents to better meet the needs of all pupils;
 - iii. undertake a further consultation exercise on a new proposal.
- 3.31 On the basis of the feedback received and taking account of the educational and social benefits of the proposal, it is concluded that the basis of the original proposal is the only viable and deliverable option to address the additional transition challenges for children, staff and parents at Prestonpans Infant & Nursery School and Prestonpans Primary School.
- 3.32 The proposed closures and establishment of a new single primary school structure provides an opportunity to improve learning and teaching and further raise attainment for all children in the Prestonpans catchment area. The establishment of a single school will create a positive environment for more effective learning and teaching that is better matched to the needs of the children across all stages. It will provide the opportunity to develop a coherent and progressive curriculum from Nursery to P7. It will also provide the opportunity to improve the consistency of learning and teaching approaches to better meet the needs of all pupils. This will support much smoother and improved pastoral and curricular transitions across the stages. In addition, this will also enable staff to work with children across the school which will provide enhanced support for their learning.
- 3.33 The proposed closures and establishment of a new single primary school structure will have a positive impact on the children in both schools by further developing and enhancing a shared ethos, vision, values and aims from the nursery class through to Primary 7. The establishment of a new primary school under a single operational and management structure will secure best value, providing more equitable education provision across the School Estate where almost all schools operate as Nursery to Primary 7 settings. This proposal will also ensure equity across all schools in the Prestonpans cluster in terms of Leadership and Management arrangements.

3.34 It is therefore recommended that the Council approves the following:

- subject to the conclusion of the Scottish Ministers eight-week call-in period or the notification of the outcome of a call-in, as appropriate, Prestonpans Infant & Nursery School and Prestonpans Primary School will be closed and a new single primary school structure covering Nursery to P7 and its associated catchment area will be established for Prestonpans;
- the establishment of the new single primary school structure will take effect from February 2019, or as soon as possible thereafter;
- the Education Service will commence with the recruitment of the Head Teacher for the new school. The Education Authority would take forward the consultation on the name of the new school with pupils, staff and parents whilst undertaking the recruitment for the new Head Teacher;
- once in post, the Head Teacher will assume responsibility for the leadership and management of both schools during the transition period to the new single school structure. The Head Teacher will also assume responsibility for the leadership and management of Prestonpans Early Learning & Childcare Centre;
- the two schools would continue to function as two separate schools with separate budgets and staffing structures until the Head Teacher is in post. The budgets for Prestonpans Infant & Nursery School and Prestonpans Primary School would remain as set for the academic session under the responsibility of the appointed Head Teacher until the establishment of the new single school structure. Any additional resources required to assist the Head Teacher during the transition period will be provided. Prestonpans Early Learning & Childcare Centre is a separate early learning & childcare establishment. Although it is under the leadership and management of the Head Teacher of Prestonpans Infant & Nursery School, it has its own separate budget and staffing entitlement, which is not affected by the implementation of this proposal; and
- once a Head Teacher is appointed and in post, a Transition Action Group would be set up comprising the new Head Teacher, staff and parent representatives from both schools as well as council officers and trade union representatives. The new Head Teacher will lead the Transition Action Group. The Education Authority will take forward the establishment of the new school in partnership with the Transition Action Group.

4 POLICY IMPLICATIONS

4.1 None

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report has been through the Integrated Impact Assessment process. Potential impacts have been identified and will be addressed.

6 RESOURCE IMPLICATIONS

6.1 Financial – School revenue budgets, including nursery, within East Lothian Council are set in line with the primary and nursery roll of the school and calculated in accordance with the Council's Devolved School Management (DSM) policies and the approved Scheme of Delegation for Schools. This includes an allocation for Management and non-teaching staff for the nursery class based on the nursery capacity. If the proposal is approved, Prestonpans Infant & Nursery School and Prestonpans Primary School would continue to function as two separate schools with separate budgets and staffing structures until the Head Teacher is in post. The budgets for Prestonpans Infant & Nursery School and Prestonpans Primary School would remain as set for the academic session under the responsibility of the appointed Head Teacher until the establishment of the new single school structure. Any additional resources required to assist the Head Teacher during the transition period will be provided. The predictable needs funding for the two schools would remain as set for that academic session under the responsibility of the appointed Head Teacher until the establishment of the new school. As is the situation with the other primary schools in East Lothian operating across a split site the school budget and staffing entitlement will be adjusted to reflect this.

The revenue budget for each school is reviewed annually to take account of changes in the primary and nursery roll and nursery capacity. Any increases in the pupil rolls due to an increase in nursery and primary aged children arising from changing demographics and planned housing in the area will be reflected within the revenue budget for the new school and its nursery class during the annual budget and staffing allocation processes.

Prestonpans Early Learning & Childcare Centre is a separate early learning & childcare establishment with a separate roll and capacity. Although it is under the leadership and management of the Head Teacher of Prestonpans Infant & Nursery School, it has its own separate budget and staffing entitlement, which is not affected by the implementation of this proposal. The revenue budget and staffing entitlement, including management time, for Prestonpans Early

Learning & Childcare Centre will continue to be set separately based on the roll and capacity of the centre.

There are no capital budget implications directly associated with this proposal.

- 6.2 Personnel – The staffing entitlement for proposed new single primary school structure and its nursery class will be set in line with the primary and nursery pupil roll of the school and calculated in accordance with the approved Scheme of Delegation for Schools and the Council's DSM policies. Revised staffing arrangements for the new school will be managed in line with the Council's 'Protocol for School Merger' for both teaching and support staff.

The post of Head Teacher within the new school is deemed to be a "new" job against which Head Teacher(s) of the closed schools are not eligible to claim a match. The recruitment of the new Head Teacher will be carried out in line with current East Lothian recruitment procedures, appointing the best candidate for the vacancy. Recruitment will be open to all appropriately qualified staff from East Lothian and beyond. The Council has an obligation to redeploy any displaced Head Teacher to an appropriate vacancy within the Council. When a post-holder is declared surplus, it is for the local authority to identify what current positions are available and that are a 'best fit' taking into account the knowledge and experience of the individual. Consultation should be undertaken with the Parent Council of the receiving school when redeployment to Head Teacher posts are being considered. Detailed duties under the Parental Involvement in Head Teacher and Deputy Head Teacher Appointments (Scotland) Regulations 2007, Regulation 5(1) and (2) shall not apply where the education authority decides, following consultation in terms of regulation 4, that the post of Head Teacher be filled by redeploying to that post an existing Head Teacher currently employed elsewhere.

All staff, other than the Head Teacher(s), from the closed schools will be eligible to be matched to jobs in the structure of the new school. Prestonpans Early Learning & Childcare Centre is a separate early learning & childcare establishment. While the leadership and management of the Prestonpans Early Learning & Childcare Centre will be affected by implementation of this proposal, it has its own separate budget and staffing entitlement and will continue to operate as a separate establishment under the leadership and management of the Head Teacher of the new school. Therefore, reconfiguration of existing core staffing arrangements at Prestonpans Early Learning & Childcare Centre is not required as a result of this proposal.

- 6.3 Other – None

7 BACKGROUND PAPERS

- 7.1 Consultation Report on the outcome of the consultation on the proposed closure of Prestonpans Infant & Nursery School And Prestonpans Primary School And The Establishment Of A New Non-Denominational Primary School Structure And Its Associated Catchment Area For Prestonpans (Members' Library Ref: 177/18, December 2018 Bulletin).

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REPORT TO: East Lothian Council

MEETING DATE: 11 December 2018

BY: Depute Chief Executive (Partnerships and Community Services)

SUBJECT: Local Governance Review – East Lothian Council
Response for Agreement

8

1 PURPOSE

- 1.1 To present for Council approval a response to the Local Governance Review currently being carried out by the Scottish Government and COSLA. This response has been developed by a cross-party working group created by the Council from Elected Members.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Council agree the terms of Appendix 1 as its response to the Local Governance Review.

3 BACKGROUND

- 3.1 The Council agreed in October this year to set up a cross-party working group to draft a response to the Local Governance Review. The group comprised six elected members (two nominees from each of the three political groups on the Council): Councillors Akhtar, Bruce, Findlay, Gilbert, McMillan and Williamson.
- 3.2 The working group met four times. It was assisted in its deliberations by Council officers including the Chief Executive and both Depute Chief Executives, and also by Professor James Mitchell of Edinburgh University.
- 3.3 The deadline for responses to the Review is 14 December.

4 POLICY IMPLICATIONS

- 4.1 This is an opportunity for the Council to contribute to a potentially far-reaching review looking at the way the public sector is organised across Scotland.

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 Council report of 30 October 2018: “Local Governance Review” set out the background more fully, including relevant background papers:

https://www.eastlothian.gov.uk/download/meetings/id/20189/05_local_governance_review

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EAST LOTHIAN COUNCIL RESPONSE TO THE LOCAL GOVERNANCE REVIEW

Introduction

- 1.1 East Lothian Council welcomes the opportunity to contribute to this Review of Local Governance. This exercise represents an opportunity for all of us in Scotland collectively to consider:
- how we can minimise inequalities within and between our communities;
 - how we can strengthen the democratic framework for decisions that affect communities;
 - how we can cater for different demographics – rural areas, urban areas, older people, younger people etc.
 - how we can increase democratic engagement without placing an onerous burden on individuals.
- 1.2 This paper is the result of the deliberations of a cross-party working group set up by East Lothian Council to consider issues relevant to joint Scottish Government/ COSLA Review of Local Governance in Scotland. The cross-party working group comprised six elected members of the Council – two from each political group – and met four times. Professor James Mitchell of the University of Edinburgh, a former Christie Commission member and adviser to COSLA, provided input to one of those meetings. [The content of this paper was approved by full Council on 11 December 2018.]
- 1.3 The joint Scottish Government/COSLA Review of Local Governance is seeking comments
- on how powers, responsibilities and resources are shared across national and local spheres of government and with communities in the context of significant change to the governance of Scotland over the last two decades;
 - in recognition that outcomes for citizens and communities are best when decisions are taken at the right level of place;
 - to explore what might be achieved, and highlight opportunities for positive change;
 - to offer proposals for improved governance arrangements at the Council’s “level of place”, reflecting shared aspirations to tackle inequalities and drive inclusive growth.
- 1.4 In this context, the 4 pillars of the Christie Commission remain relevant¹:
- Empowering individuals and communities;
 - Collaboration between public service organisations
 - Prioritising prevention, reducing inequalities and promoting equality;
 - Improving public sector performance and being transparent and accountable.

STRUCTURES

- 2.1 It is vital that there should be a shared, clear vision, mission and purpose for public service, and that the forms of democratic representation should be the right ones to meet that vision. We should first of all be looking for an understanding about what the different powers are, why they exist, where they sit and why they sit there.

¹ <https://www.gov.scot/publications/commission-future-delivery-public-services/>

2.2 The driver going forward should be **outcomes for the health and wellbeing of our communities: we want the community to benefit from any changes**. Collectively we need to pay attention to performance management and continuous improvement, but also to have a proper focus on prevention and early intervention, acknowledging that these can be difficult to measure.

2.3 Whatever structures are created or tested, definitions are important. The concept of “spheres” of government is both interesting and welcome, but it is important that these spheres and the connections between them are well-defined and of an enabling character, in order to pull together to improve outcomes for citizens. This should include all our public services, and how they work to help deliver priorities at a local level.

2.4 In thinking about structures, it is important to be able recognise where the different elements of public policy lie:

- who sets the strategy?
- who owns the processes?
- how is current capacity measured?
- how is the ability to change measured?
- how is change resourced and achieved?
- how does a decision reduce inequalities within and between communities?
- who funds the activity required?
- how do they get the money?
- how is this funding sustained over the lifespan of the activity?
- who benefits from the decision?
- how do we assess Risk and adverse impact: who prevents? who detects? who corrects?
- where are the public’s voices in each decision?
- how transparent to the public is the process?
- where does accountability lie?

These are important considerations in terms of local governance, and it is important in particular that local government is not solely treated as the delivery arm of central government. Local government is Government.

2.5 Councils are acutely aware that “one size does not fit all” and this council would support an asymmetric approach, with different structures to serve different parts of Scotland, provided that these structures serve the demographic of the area to which they apply and that local people have a say in their creation. It is important that the specific requirements of people living in rural communities are recognised and catered for, including in city-region and suburban contexts – people in these rural communities must have an equal voice.

2.6 It is useful to reflect on levels of democratic representation and control for different functions. The first level of democratic representation can be very different in different public bodies such as councils and health boards. If a member of the public wants to approach an elected representative who has responsibility in relation to a council issue, their representative is very local to them. If they want to approach an elected representative who has responsibility for a health service issue, they would need to approach the Scottish Ministers. For services which have such a personal impact on members of the public, these services are treated very differently, especially since the abolition of local health councils. Particularly in relation to primary healthcare, it is not clear how the public have recourse in relation to structural issues such as the provision of GP surgeries and the services delivered there.

2.7 The role of a local authority member is both complex and diverse. In coming to a view about structures, in the Council's opinion more work needs to be done in recognition of the current workload of councils' elected members in multi member wards. Because of the many ways in which councils engage with local people, elected members have many responsibilities. Our local elected members all have several schools to engage with in their ward, several community councils, a community and policing partnership, an area partnership, and more. Added to their committee activity, their surgeries and their constituent casework, this represents a considerable burden of time, not least for those councillors who are also in employment. The rural dimension also brings a requirement to cover longer distances to engage with small communities, hold surgeries, carry out site visits, and so on.

2.8 A research report carried out for the Local Government Boundary Commission for Scotland in 2017 reported that councillors spent an average of just over 36 hours per week on the councillor role.² As part of the review of local governance, there should be a review of the operation of multi member wards and their implications for councillor workload, remuneration and resources available to councillors to carry out their roles.

2.9 It is well-attested that the level of democratic executive local representation, in terms of the ratio of elected representatives to population, is lower in Scotland than in other European countries. Democracy is nevertheless alive and working well in some areas of public policy. Councillors operate locally to their constituents; however they have less influence in some areas of public policy than members of the public perceive (and would hope for).

2.10 As an example to illustrate this point, East Lothian Council members are often approached about matters over which the Council has no jurisdiction: for example:

- difficulties in getting an appointment at the GP surgery;
- the length of railway station platforms;
- the provision of utilities such as gas and water;
- the provision of broadband;
- the operation of Universal Credit.

People often naturally want to speak to a local representative about these issues, and often assume the Council has more authority than is actually the case. It is not always easy for constituents to access a more appropriate route for their concerns. The lack of clarity about roles and responsibilities also leads to people sometimes approaching their MP or MSP about issues that are for the Council to resolve.

2.11 The time is ripe for further research on the impact of multi member wards, and remuneration should reflect an assessment of the role and workload of an elected member. As this council argued in the recent local government boundary review, size of council does not necessarily reflect the workload of members - a smaller council has fewer members to sit on committees, committee members have to devote time to committee papers, briefing and training, so as to be able to make major decisions effectively as board members of multi-million pound enterprises.

² *Research Report: Councillors' Roles and Workload* Richard Kerley and Neil McGarvey, 2017 publ. online by Local Government Boundary Commission for Scotland - http://www.lgbc-scotland.gov.uk/includes/downloadfile.asp?file=/publications/research/councillor_research_report.pdf

- 2.12 Just as structures across Scotland might be asymmetric, arrangements for councillors might conceivably also be asymmetric, and local discretion should be built into arrangements. The most recent boundary review was constrained not to increase the number of councillors in Scotland, which resulted in council areas like our own - with a growing population, a mix of urban and rural areas and scattered pockets of real deprivation - being effectively penalised. Local government should be involved in setting the criteria for review.
- 2.13 Tensions do exist between decisions taken centrally and local priorities and local ways of doing things. For example, our local Community Planning Partnership arrangements do not allow elected members to influence the provision of GP services, Child and Adolescent Mental Health Services, the numbers and activities of Health Visitors in the area, or the availability of police officers. Centralising education is a concern as we know that Councils can and do make the biggest difference in areas such as school improvement when we are working closest with our schools, parents and carers.
- 2.14 On some occasions, national policies cut across other stated national policy directions. For example, the Scottish Court Administration/ Scottish Ministers' decision to close Haddington Sheriff Court cut across the national "town centre first" policy and arguably has had an impact on the administration of justice for the area, both in terms of ease of access and waiting times.
- 2.15 At present it is not clear how the new social security body will be part of our community planning. It will be important for a link to be developed and clarified. In East Lothian the Department for Work and Pensions and the Scottish Prison Service are both members of the local Community Planning Partnership.
- 2.16 We understand there is also a review of public health taking place separately to the Review of Local Governance. This feeds a perception that central reviews still happen in "silos". Certainly these discussions need to be joined up. In health it does seem sensible that some things need to be provided in a centralised way, for economies of scale and effectiveness of specialisms: for example, cancer hospitals. On the other hand, public health is an issue that is fundamental to the history and current activities of local government in this country: for example through waste collection and disposal, and protective services such as trading standards, local people benefit from local activity through the outcomes that arise from work on public health.
- 2.17 Structures and processes must be easy for the public and other stakeholders to understand and use, not only to give them the confidence that their voices can be heard, but also to ensure that their views are actually taken on board and ultimately so they can make their voices heard at the ballot box about their aspirations and how those aspirations are met.
- 2.18 East Lothian has good coverage of community councils, and we know this is not always the case in all other areas. When a community council is suitably resourced, developed and empowered, it can play a strong part in governance in the local sphere – and there is work to be done in the local sphere to achieve this. Community councils can and should play an important part in local life and the quality of local areas, working to represent the views of local people.
- 2.19 We would be interested in hearing more about the results of the review of community councils that we understand has been taking place under the auspices of What Works Scotland and the Scottish Community Development Centre. In particular, is the level of community council powers and available funding on a par with the workload expected of community councillors? It is essential that the current review of community councils should be aligned with the local governance review.

- 2.20 It would be worth assessing the effectiveness of previous attempts in Scotland to compensate for a perceived centralisation of power, through the creation of community councils and of decentralisation schemes under (respectively) the Local Government (Scotland) Act 1973 and the Local Government (Scotland) Act 1994.
- 2.21 It would also be worth linking to the effectiveness of community planning arrangements in Scotland as this is very pertinent to aspirations to work in partnership. More local governance and collaboration could be particularly helpful in terms of issues that affect children and education, in particular for the governance of colleges and Skills Development Scotland.
- 2.22 Some services and collaborations need to be delivered at local level. Even where a service could usefully be organised at regional level, this does not necessarily mean that a new regional body is needed. Partnership approaches may work better – including partnering with private sector organisations - with appropriate safeguards for people living in areas covered by the “smaller” partners. This could cover economy, infrastructure and health projects.
- 2.23 The power to partner specifically with other local authorities arguably needs more work to be properly accountable. Opportunities to collaborate may have to involve migration towards common processes and shared governance structures to facilitate such collaboration and ensure its effectiveness. However this should be led by local authorities. Partnership cannot be forced, it needs to be allowed to grow. What is needed is leadership, at the right level.
- 2.24 Partnerships also need to be appropriate to the size and scale of the partners. The danger with regionalisation is that it makes smaller partners subservient to the larger, defers more to the problems of the larger than those of the smaller, and tends to move accountability for decision-making further away from local people.
- 2.25 Local authorities play a key role in relation to economic development. However, the delivery vehicles and structures in place nationally to achieve this are complex and overly bureaucratic. A review is required to streamline and ensure transparency for inward investors, recognising the key role played by local government.

3. Decentralisation of decision-making

- 3.1 In East Lothian we have structures in place at ward level to involve local voices in defining and delivering the right outcomes for their area. It is important to recognise that democracy involves arrangements to hear local voices but also ultimately to make a decision, and it is the Council’s position that decisions which involve public resources must be linked to public and democratic accountability for those resources.
- 3.2 The governance around community empowerment must include its effectiveness in tackling inequalities.
- 3.3 One area where there is a well-defined place for local representation is in development planning. This is an area where participative democracy can be challenging. Communities may well want to be more involved in place-making, but some decisions are made at national and regional level which preclude their meaningful involvement. For example, communities feel they have little say over the numbers of new dwellings to be accepted into their area under the regional planning process. The strategic importance of planning for new homes and for the economic success of the nation and the city region is such a priority that these decisions are currently made

elsewhere. However, a right of representation to national and strategic plan processes is encompassed in statutory processes.

- 3.4 We should collectively explore the potential for local authorities to be able to make a broader range of byelaws to regulate activity in a local area and strengthen the democratic framework for decisions that affect communities. The Scotland Act 1998 devolved everything to the Scottish Parliament apart from a few named issues which were reserved to Westminster. Are there any analogues here for devolution to local level?

4. Fiscal Issues

- 4.1 At present, local authorities' ability to act in the best interests of their communities is constrained by the way they are resourced. Their funding in real terms has fallen markedly faster over recent years than the Scottish Government's budget. According to a report by the Scottish Parliament's Information Centre, between 2013-14 and 2017-18 there was a 7.1% fall in the total local government revenue settlement, compared to an overall fall in the Scottish Government budget of 1.8% (figures in real terms, 2018-19 prices).³ The COSLA paper "Fair Funding for Essential Services 2019/20" makes a strong case for better investment in local government.⁴
- 4.2 Council Tax, representing a secondary income stream for councils at best, was frozen for a period of nine years ending 2016, and increases were subsequently capped at three per cent. While capping is unarguably a lever currently available to central government, it does curtail the ability of councils to deliver on their democratic mandate. Engagement with our residents tells us that there is some appetite for raising Council Tax if it means better local services.
- 4.3 To allow local democratic bodies to do more to improve community wellbeing, they need adequate resources. The imposition of reductions in core government grant support, together with the removal of discretion on local taxation, dilutes the democratic accountability and effectiveness of local government. With the right enabling powers, leadership and ownership, councils could make even more of a difference in issues that concern their area.
- 4.4 Consideration should also be given to other income generation and a holistic review nationally of the legal and policy constrictions around commercial trading by councils to support service delivery.
- 4.5 Local government is too often called on to deliver policy initiatives which have been decided centrally and for which full funding is not forthcoming. At the same time, other areas of funding are ring-fenced by central government for specific policy objectives. Although for many public services, Scottish councils are willing and proper service providers, it is absolutely critical that they are properly funded to deliver existing and new services.
- 4.6 In terms of minimising inequalities between our communities, the way that some funding is distributed in line with figures from the Scottish Index of Multiple Deprivation fails to address issues in areas of more dispersed population. As an illustration, figures in the recent South East Improvement Collaborative Improvement Plan show that only 4.1% of East Lothian children are in SIMD deciles 1 and 2 (the most deprived) compared to 20.5% in City of Edinburgh – while, in the

³ <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2018/5/21/Local-Government-Finance-facts-and-figures-2013-14-to-2018-19>

⁴ <http://www.cosla.gov.uk/system/files/private/fairfundingfoessentialservices2019-20.pdf>

same document, 12.3% of East Lothian children are defined as living in poverty compared to 14.4% in Edinburgh.

- 4.7 A primary objective of the Scottish Government's Integration Policy was to secure a genuine shift in the balance of care that would result in increased levels of community based care, alleviating pressure and cost on the Acute Sector. Although primarily driven in pursuit of improved health outcomes for citizens, achievement of this objective would also require adequate transfer of resources from Health to Local Government – to date, although there is evidence of increased levels of community-based care and improvements on delayed discharge figures, there is little evidence of any meaningful resource following this significant shift in service obligation.
- 4.8 There are concerns over the number of national policy-led direction changes that compromise local government service provision. A good example is the Deposit Return Scheme which, although it appears to carry benefits for litter management, significantly threatens the financial stability of kerbside collection services which were themselves implemented in line with the Scottish Household Waste Charter developed in consultation with Scottish Government and Local Authority Networks and approved only a few years ago.
- 4.9 Because the responsibility for decisions about funding is not clear cut, there is a need to reform fiscal arrangements for local government. We would want this reform to include the ability to set more meaningful local taxes, with the appropriate reprofiling of the national/local tax take from the public. Proper local fiscal empowerment could align with a Power of General Competence/ Power of Wellbeing.
- 4.10 Local authorities provide and service much of society's infrastructure, and so core grant should be funded fairly and in a demonstrably sustainable way – including the reintroduction of the Comprehensive Spending Review process and the provision of longer-term financial settlements for both General Services and Housing Capital, to assist local authorities with their financial planning.

5 Finally

- 5.1 Whatever structure is decided on, members of the public should be able to see clearly where responsibility lies and how to influence these decisions.

REPORT TO: East Lothian Council

MEETING DATE: 11 December 2018

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Statutory Review of Polling Districts and Polling Places 2018

9

1 PURPOSE

- 1.1 To inform Members of the outcome of the statutory review of polling districts and polling places, as required by the Electoral Registration and Administration Act 2013, Part 2, Section 17.

2 RECOMMENDATIONS

- 2.1 Members are asked to approve the proposed polling scheme for East Lothian Constituency attached as an appendix to this report.

3 BACKGROUND

- 3.1 The Electoral Registration and Administration Act 2013 required a compulsory review of parliamentary polling districts and places to commence on 1 October 2013 (to be completed within a sixteen month period) and 1 October every following fifth year.
- 3.2 It is a requirement of this legislation that the proposals contained within any review of polling places must be exposed to a statutory public consultation process. Accordingly, stage 1 public notification of the review commenced on 1 October, with representations being invited by 29 October. Documents were placed on East Lothian Council's website via the consultation hub and were available at John Muir House Reception, Brunton Hall, Wallyford Community Centre, George Johnston Centre, Tranent and North Berwick Library. Twitter and Facebook were also used.
- 3.3 The polling places used in support of the UK Parliamentary Election in June 2017 have been the basis for this consultation. **There are no changes to the existing polling places.** Capability Scotland guidelines have been used to assess access at polling places and stations in East

Lothian since 1997 and, together with advice from the Electoral Commission, these provide a helpful and practical means of ensuring that proposed locations are fit for purpose.

- 3.4 A full accessibility assessment is carried out for every polling place prior to each election. This includes consideration of layout and all voter signage. Every polling station is supplied with wheelchair accessible booths, a visual impairment aid and a Braille copy of the ballot paper. Hearing loops are available where required. Polling staff are trained to ensure that the needs of all voters are carefully considered.
- 3.5 As outlined in the Returning Officer's report, there are two areas of new housebuilding in North Berwick, which overlap the polling district for North Berwick EL4E. Small alterations to the two polling district boundaries (Dirleton EL4C and Drem EL4D) have been made to allow these to be included, with the rest of the new build area, in the polling district for North Berwick EL4E.
- 3.6 There is an overlap of a new build area at Dolphingstone, which affects Wallyford and Tranent. **Unfortunately, the polling district boundary here can't be altered to allow the Tranent overlap to be included in the greater new build area of Wallyford ELMN3F. This is because the polling district boundary is also the Scottish Parliamentary boundary, which can't be altered.** However, the boundary between the two polling districts of Tranent has been altered slightly, to allow the affected area to be included in the northern Tranent polling district EL3A . If the boundary was to remain as it was, any electors from the new build area would be obliged to vote at the Loch Centre (EL3B). The Loch Centre is already at capacity as a polling place, therefore, the best option was to change this to Tranent Town Hall (EL3A), which can accommodate extra stations.
- 3.7 Only one representation has been received, which positively endorsed the polling district proposals. Therefore, it is now considered appropriate to finalise the Polling Scheme as proposed.

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy obligations associated with this report.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 An Integrated Impact Assessment has been carried out and no negative impacts have been found.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - None

6.2 Personnel - None

6.3 Other - None

7 BACKGROUND PAPERS

7.1 Access to background papers can be made available to elected members on request.

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DATE	3 December 2018



Schedule to the East Lothian Parliamentary Constituency Polling Districts and Designation of Polling Places Scheme

The location of each Polling District by reference to Parliamentary Constituency and Local Government Ward and Polling Place is as follows: -

Parliamentary Constituency: East Lothian
Local Government Ward 1: Musselburgh

Polling District: ELMN1A
Polling Place: Stoneyhill Community Centre
 No.of Stations: 5
 Address: 5 Stoneyhill Farm Road, Musselburgh, EH21 6RN

Polling District: ELMN1B
Polling Place: North Esk Parish Church Hall
 No.of Stations: 3
 Address: Bridge Street, Musselburgh, EH21 6AG

Polling District: ELMN1C
Polling Place: Our Lady of Loretto Church Hall
 No.of Stations: 3
 Address: 17 Newbigging, Musselburgh, EH21 7AJ

Polling District: ELMN1D
Polling Place: Musselburgh East Community Learning Centre
 No.of Stations: 3
 Address: Haddington Road, Musselburgh, EH21 8JJ

Parliamentary Constituency: East Lothian
Local Government Ward 2: Preston, Seton and Gosford

Polling District: EL2A
Polling Place: Pennypit Centre
No.of Stations: 3
Address: Double Dykes, Rope Walk, Prestonpans, EH32 9BN

Polling District: EL2B
Polling Place: Prestonpans Community Centre
No.of Stations: 3
Address: Preston Road, Prestonpans, EH32 9QS

Polling District: EL2C
Polling Place: Port Seton Community Centre
No.of Stations: 4
Address: South Seton Park, Port Seton, EH32 0BQ

Polling District: EL2D
Polling Place: Longniddry Community Centre
No.of Stations: 2
Address: Seton Road, Longniddry, EH32 0LD

Parliamentary Constituency: East Lothian
Local Government Ward 3: Tranent, Wallyford and Macmerry

Polling District: EL3A
Polling Place: **Tranent Town Hall**
No.of Stations: 3
Address: Church Street, Tranent, EH33 1AD

Polling District: EL3B
Polling Place: **Loch Centre**
No.of Stations: 5
Address: off Blawearie Road, Tranent, EH33 2JX

Polling District: EL3C
Polling Place: **Elphinstone Community Centre**
No.of Stations: 1
Address: Main Street, Elphinstone, EH33 2LX

Polling District: EL3D
Polling Place: **Macmerry Village Hall**
No.of Stations: 1
Address: Westbank Road, Macmerry, EH33 1PJ

Polling District: ELMN3E
Polling Place: **Whitecraig Community Centre**
No.of Stations: 1
Address: 44a Whitecraig Crescent, Whitecraig, EH21 8NG

Polling District: ELMN3F
Polling Place: **Wallyford Community Centre**
No.of Stations: 2
Address: Albert Place, Wallyford, EH21 8LE

Parliamentary Constituency: East Lothian
Local Government Ward 4: North Berwick Coastal

Polling District: EL4A
Polling Place: **The Stables**
No.of Stations: 1
Address: Main Street, Aberlady, EH32 0RB

Polling District: EL4B
Polling Place: **Gullane Community Association Hall**
No.of Stations: 2
Address: Hall Crescent, Gullane, EH31 2HA

Polling District: EL4C
Polling Place: **Dirleton Church Hall**
No.of Stations: 1
Address: 5d Manse Road, Dirleton, EH39 5EL

Polling District: EL4D
Polling Place: **Fenton Barns**
No.of Stations: 1
Address: Fenton Barns, EH39 5 BW

Polling District: EL4E
Polling Place: **North Berwick Sports Centre**
No.of Stations: 5
Address: Grange Road, North Berwick, EH39 4QS

Polling District: EL4F
Polling Place: **St Mary's Parish Church Hall**
No.of Stations: 1
Address: Whitekirk, EH42 1XS

Parliamentary Constituency: East Lothian
Local Government Ward 5: Haddington and Lammermuir

Polling District:	EL5A
Polling Place:	Humbie Village Hall
No.of Stations:	1
Address:	Humbie, EH36 5PJ
Polling District:	EL5B
Polling Place:	Fletcher Hall
No.of Stations:	1
Address:	East Saltoun, EH34 5DX
Polling District:	EL5C
Polling Place:	Bolton Village Hall
No.of Stations:	1
Address:	Under Bolton, EH41 4HL
Polling District:	EL5D
Polling Place:	Aubigny Sports Centre
No.of Stations:	7
Address:	Mill Wynd, Haddington, EH41 4DB
Polling District:	EL5E
Polling Place:	Athelstaneford Village Hall
No.of Stations:	1
Address:	Main Street, Athelstaneford, EH39 5BE
Polling District:	EL5F
Polling Place:	Morham Village Hall
No.of Stations:	1
Address:	Morham, EH41 4LQ
Polling District:	EL5G
Polling Place:	Gifford Village Hall
No.of Stations:	1
Address:	Gifford, EH41 4QP
Polling District:	EL5H
Polling Place:	Garvald Village Hall
No.of Stations:	1
Address:	Garvald, EH41 4LN
Polling District:	EL5I
Polling Place:	Ormiston Community Centre
No.of Stations:	2
Address:	George Street, Ormiston, EH35 5JB
Polling District:	EL5J
Polling Place:	Trevelyan Hall
No.of Stations:	2
Address:	9 Wester Pencaitland, Pencaitland, EH34 5HA

Parliamentary Constituency: East Lothian
Local Government Ward 6: Dunbar and East Linton

Polling District: EL6A
Polling Place: Allison Cargill House
No.of Stations: 1
Address: Whittinghame, EH41 4QA

Polling District: EL6B
Polling Place: East Linton Community Association Hall
No.of Stations: 2
Address: 73 High Street, East Linton, EH40 3BQ

Polling District: EL6C
Polling Place: Tynninghame Village Hall
No.of Stations: 1
Address: Tynninghame, EH42 1XL

Polling District: EL6D
Polling Place: Stenton Village Hall
No.of Stations: 1
Address: Stenton, EH42 1TE

Polling District: EL6E
Polling Place: West Barns Bowling Club
No.of Stations: 1
Address: Edinburgh Road, West Barns, EH42 1UH

Polling District: EL6F
Polling Place: Bleachingfield Centre
No.of Stations: 6
Address: Countess Crescent, Dunbar, EH42 1DX

Polling District: EL6G
Polling Place: Spott Community Centre
No.of Stations: 1
Address: Spott, EH42 1RJ

Polling District: EL6H
Polling Place: Innerwick Village Hall
No.of Stations: 1
Address: Innerwick, EH42 1SE

Polling District: EL6I
Polling Place: Oldhamstocks Village Hall
No.of Stations: 1
Address: Oldhamstocks, TD13 5XN

REPORT TO: East Lothian Council

MEETING DATE: 11 December 2018

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Amendments to Standing Orders – Scheme of Delegation

10

1 PURPOSE

- 1.1 To seek approval of proposed changes to the Scheme of Delegation.

2 RECOMMENDATIONS

- 2.1 Council is asked to approve the proposed changes to the Scheme of Delegation, as set out in Appendix 1 to the report.

3 BACKGROUND

- 3.1 Members are advised of a proposal to amend the Scheme of Delegation following a review of duties and responsibilities. These changes are outlined in Appendix 1.
- 3.2 Members are also asked to note that the Chief Executive has delegated authority to make changes to the Scheme of Delegation which arise as a result of changes to Council structures. A number of such structural changes have recently taken place, and these will be reflected in the revised Scheme of Delegation.
- 3.2 If approved, the changes to the Scheme of Delegation will be incorporated into Standing Orders. The updates will be issued to political group offices and published on the Council's website.

4 POLICY IMPLICATIONS

- 4.1 None

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 East Lothian Council's Standing Orders

AUTHOR'S NAME	Lel Gillingwater
DESIGNATION	Team Manager – Democratic and Licensing
CONTACT INFO	lgillingwater@eastlothian.gov.uk
DATE	12 November 2018

Proposed Changes to the Scheme of Delegation

Section 7 – Specific Duties and Responsibilities Delegated to the Head of Development

Add: Determining applications for Tree Preservation Orders where there are no outstanding objections

Section 8 – Specific Duties and Responsibilities Delegated to the Head of Infrastructure

Add: Carrying out the Council's enforcement functions under the Road Traffic Regulation Act 1984, the Road Traffic Act 1991, the Transport (Scotland) Act 2011 and the Bus Lane Contraventions (Charges, Adjudication and Enforcement) (Scotland) Regulations 2011

Section 12 – Statutory Appointment of Officers

Local Government (Scotland) Act 1973

Section 40 – Proper officer for receiving general notices from councillors about any financial interest in a matter, and for recording councillors' interests

Proper officer – Monitoring Officer

Amend to: Monitoring Officer/Service Manager – Licensing Admin and Democratic Services/Team Manager – Democratic and Licensing

Licensing (Scotland) Act 2005

Add: Section 13 – Proper officer for supervising compliance by licence-holders, mediating, issuing notices and applying for premises licence reviews

Proper officer – Licensing Standards Officer

Add: Weapons and Licensing (Scotland) 2015

Section 82 – Proper officer for supervising compliance by licence-holders, mediating, issuing notices and referring breaches

Proper officer – Civic Licensing Standards Officer

Add: General Data Protection [European Legislation]

Chapter 4, Section 4, Article 39 – Proper officer for monitoring compliance; proper officer for informing and advising the data controller of their obligations; proper officer for co-operating with the supervisory authority in respect of (1) East Lothian Council, and (2) East Lothian Licensing Board
Proper officer – Team Manager, Information Governance

Add: Public Records (Scotland) Act 2011

Section 1 (2) (a) (i) – Proper officer for the management of the authority's public records; proper officer for the management of East Lothian Licensing Board's public records

Proper officer – Team Manager, Information Governance

Section 1 (2) (a) (ii) – Proper officer for ensuring compliance with the Records Management Plan

Proper officer – Team Manager, Information Governance

REPORT TO: East Lothian Council

MEETING DATE: 11 December 2018

BY: Depute Chief Executive (Resources and People Services)

SUBJECT: Submissions to the Members' Library Service
20 October – 3 December 2018

11

1 PURPOSE

- 1.1 To note the reports submitted to the Members' Library Service since the last meeting of Council, as listed in Appendix 1.

2 RECOMMENDATIONS

- 2.1 Council is requested to note the reports submitted to the Members' Library Service between 20 October and 3 December 2018, as listed in Appendix 1.

3 BACKGROUND

- 3.1 In accordance with Standing Order 3.4, the Chief Executive will maintain a Members' Library Service that will contain:
- (a) reports advising of significant items of business which have been delegated to Councillors/officers in accordance with the Scheme of Delegation, or
 - (b) background papers linked to specific committee reports, or
 - (c) items considered to be of general interest to Councillors.
- 3.2 All public reports submitted to the Members' Library are available on the Council website.

4 POLICY IMPLICATIONS

- 4.1 None

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 East Lothian Council's Standing Orders – 3.4

AUTHOR'S NAME	Lel Gillingwater
DESIGNATION	Team Manager - Democratic & Licensing
CONTACT INFO	lgillingwater@eastlothian.gov.uk
DATE	3 December 2018

**MEMBERS' LIBRARY SERVICE RECORD FOR THE PERIOD
20 October – 3 December 2018**

Reference	Originator	Document Title	Access
159/18	Depute Chief Executive (Partnerships and Community Services)	The East Lothian County Flag	Public
160/18	Depute Chief Executive (Partnerships and Community Services)	Proposal to Prepare an East Lothian Climate Change Mitigation and Adaptation Strategy 2019-24	Public
161/18	Head of Development	Scottish Government Consultation on Proposal to Ban the Manufacture and Sale of Plastic-stemmed Cotton Buds in Scotland	Public
162/18	Depute Chief Executive (Partnerships and Community Services)	Review of One Council Partnership Funding Process	Public
163/18	Head of Communities and Partnerships	East Lothian Residents' Survey	Public
164/18	Head of Council Resources	Establishment Changes – October 2018	Private
165/18	Depute Chief Executive (Partnerships and Community Services)	East Lothian Council – Review of Experimental 20mph Speed Limit, East Linton	Public
166/18	Depute Chief Executive (Partnerships and Community Services)	East Lothian Open Space Strategy – Background Papers	Public
167/18	Director of Health and Social Care Partnership	Service Review – Children and Young People Services	Private
168/18	Depute Chief Executive (Partnerships and Community Services)	Service Review – Economic Development and Strategic Investment Unit	Private
169/18	Depute Chief Executive (Partnerships and Community Services)	Application for Assistance	Private
170/18	Depute Chief Executive (Partnerships and Community Services)	Local Air Quality Management – Annual Progress Report 2018	Public

171/18	Head of Communities and Partnerships	Lothian Joint Health Protection Plan 2018-20	Public
172/18	Head of Communities and Partnerships	Annual Report – Corporate Insurance and Claims 2017/18	Public
173/18	Depute Chief Executive (Partnerships and Community Services)	Service Review – Customer Services/Wallyford Library	Private
174/18	Head of Communities and Partnerships	Insurance Policies and Claims Handling Fee Renewals 1 October 2018 to 30 September 2019	Public
175/18	Head of Infrastructure	Roads (Scotland) Act 1984, Sections 16(2) & 18(1) – Additions to the List of Public Roads 2018	Public
176/18	Chief Executive	Best Value Assurance Report	Public
177/18	Head of Education	Outcome of the Statutory Consultation on the Proposed Closure of Prestonpans Infant and Nursery School and Prestonpans Primary School, and the Establishment of a New Non-demoninational Primary School Structure and Its Associated Catchment Area for Prestonpans – Consultation Report	Public

3 December 2018