



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

**TUESDAY 11 DECEMBER 2018
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

Provost J McMillan (Convener)	Councillor J Henderson
Councillor S Akhtar	Councillor W Innes
Councillor L Bruce	Councillor G Mackett
Councillor S Currie	Councillor K Mackie
Councillor F Dugdale	Councillor C McGinn
Councillor J Findlay	Councillor P McLennan
Councillor A Forrest	Councillor K McLeod
Councillor N Gilbert	Councillor F O'Donnell
Councillor J Goodfellow	Councillor T Trotter
Councillor N Hampshire	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
Mrs F Robertson, Head of Education
Ms S Saunders, Head of Communities and Partnerships
Ms J Tait, Head of Adult and Children's Services
Ms F Brown, Principal Officer (Business Unit), Education
Ms L Brown, Chief Operating Officer, Education
Mr S Cooper, Team Manager – Communications
Ms C Dora, Executive Officer
Ms S Fortune, Service Manager – Business Finance
Ms H Gillanders, Head Teacher, Dunbar Primary School
Mrs K MacNeill, Service Manager – Licensing, Admin and Democratic Services
Mr R Parker, Service Manager – Education (Strategy and Ops)
Ms C Rodgers, Transformation Programme Manager
Ms P Smith, Principal Officer (Information and Research)
Mr P Vestri, Service Manager – Corporate Policy and Improvement

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:

Councillor S Kempson
Councillor B Small

Declarations of Interest:

Councillors Forrest and Mackie declared an interest in Item 12 – Referral to Council by Musselburgh Common Good Committee, as they are Trustees of the Brunton Theatre Trust.

Prior to the commencement of business, the Provost announced that Councillor Kempson was recovering well from her recent hospital treatment and was joined by Members in wishing her a speedy recovery.

1. MINUTES FOR APPROVAL

The minutes of the Council meeting specified below were approved:

East Lothian Council – 30 October 2018

Item 12: Notice of Motion, P1 Testing – Councillor Currie asked if officers were aware of concerns raised by head teachers in relation to the impact of P1 testing. Helen Gillanders, Head Teacher of Dunbar Primary School, reported that within her own cluster, and having spoken to other colleagues, she was not aware of any such issues. The Head of Education, Fiona Robertson, added that guidance to schools as regards the implementation of the assessments had been revised. She also noted that the Council would participate in the review of P1 assessments.

Item 6: East Lothian Council Proposed Local Transport Strategy – Councillor McLennan asked for detail on the public consultation on the Strategy. The Depute Chief Executive, Monica Patterson, advised that Members would be informed of the consultation timescales and associated public events.

2. MINUTES FOR NOTING

The minutes of the Local Review Body (Planning) meeting of 11 October were noted.

3. BEST VALUE ASSURANCE REPORT

A report was submitted by the Chief Executive advising Council of the findings and recommendations of the Accounts Commission's Best Value Assurance Report on East Lothian Council and seeking approval for the response and improvement action plan arising from the report.

The Chief Executive presented the report, advising that following publication of the report, a cross-party group had met with representatives from the Accounts Commission to discuss the findings. She noted that the report was positive, and demonstrated that the Council was a self-aware local authority, with strong performance management and continuous improvement processes across all services. She further advised that the report had recognised the strong professional working relationship between officers and councillors, and between the Council and partners and Council and communities. She believed that the findings of the report reflected the 4-star rating awarded to the Council by Quality Scotland. She concluded by reporting that many of the actions highlighted by the Accounts

Commission were already in the Council's Improvement Plan and that Members would be updated on progress on a regular basis.

Paolo Vestri, Service Manager – Corporate Policy and Improvement, summarised the key findings of the report, which included strengths in leadership, governance, scrutiny, self-evaluation, community empowerment, partnership working and transformation. He drew Members' attention to the recommendations, noting that all of these could be delivered by the Council; work on many of these was now underway. He advised that a progress report would be presented to the PPRC early in 2019, and that Members would soon be consulted on the draft of a new format for the Council Annual Report.

Councillor Innes welcomed the report, commenting that the Council should be proud of the outcome. He pointed out that the Council was comparing favourably with other local authorities, and paid tribute to staff for their efforts in delivering high quality services. He indicated that the report would give the public confidence in the Council.

Councillor Henderson felt reassured by the report, and welcomed the opportunity to participate in the cross-party group. She looked forward to working on the Improvement Plan.

Councillor Akhtar highlighted improvements within the Education Service, and the commitment of staff to improving performance, particularly as regards attainment and exclusion rates. She also spoke of the leadership of head teachers, and paid tribute to Helen Gillanders, Head Teacher of Dunbar Primary School, which had recently won a national award [the Excellence in Professional Learning Award for Schools and Learning Communities]. She commended Council staff for their dedication and commitment.

Councillor Currie highlighted the Council's culture of continuous improvement since the previous Best Value Audit in 2007. He warned that the future would be more challenging, particularly around education and how the Council would deliver its services. Responding to comments in the report as regards community engagement, he believed that the Council engaged well with its communities. He thanked the Chief Executive for her leadership and the staff for their hard work.

Welcoming the positive report, Councillor Hampshire remarked that the Council had had to take difficult decisions in order to continue delivering services, and more difficult decisions would need to be taken in the coming years. He made reference to population growth and the impact that would have on existing communities, and called on the Council to work as a team to deliver everything that was required.

Councillor O'Donnell echoed the sentiments of other Members, and also thanked officers within the Health and Social Care teams and NHS partners, as well as those in the third and independent sectors. She highlighted the benefits of health and social care integration.

Councillor McMillan concluded the debate by pointing out that the report provided assurances that the Council had arrangements in place to meet future challenges. He highlighted the need to carry on the transformational change and improvement work, and joined other Members in thanking staff for their efforts.

Decision

The Council agreed:

- i. to note the Best Value Assurance Report and the Accounts Commission's Findings (available in the Members' Library, Red: 176/18, December 2018 Bulletin); and

- ii. to approve the Improvement Plan, which addressed the recommendations made in the Best Value Assurance Report and to note that progress on implementing the Improvement Plan would be presented to Council during 2019.

4. FINANCIAL REVIEW 2018/19, QUARTER 2

A report was submitted by the Depute Chief Executive (Resources and People Services) informing the Council of the financial position at the end of September 2018.

The Head of Council Resources, Jim Lamond, presented the report, informing Members that at the end of Quarter 2 the overall financial position showed a marginal underspend, and that the Finance Team were working with services to forecast the year-end position. He warned that the Council was facing an overspend at the end of the year, which could amount to as much as £2m, which would place additional strain on reserves. He drew attention to those services currently underspent and those overspent, noting that social care services and additional support for learning services were at high risk of overspending at the year-end; cost recovery plans were being put in place. Mr Lamond anticipated that 90% of planned efficiency savings would be achieved. On the Housing Revenue Account, he reported an underspend of £0.9m. It was expected that there would be a slight overspend on new housing by the end of the year; however, this would be offset by underspends in the modernisation programme and the mortgage to rent scheme. As regards the capital programme, an updated position was provided in Appendix 4 to the report, which reflected adjustments made to the capital budget.

Responding to a series of questions from Councillor Currie, Mr Lamond advised that Adult Wellbeing, Children's Wellbeing and Older People's Services had all been asked to prepare cost recovery plans in order to identify ways to bring spending back in line with the approved budget. He conceded that it was unlikely that this would be achieved, and that underspends from other services or unallocated reserves could be used at the year end to offset any existing overspend. He further explained that the overspends were due to additional demands on services, demographics and inflationary price rises. The Council was working closely with the NHS as regards shifting the balance of care, which was another contributory factor, and it was hoped that there would be a shift in resources to balance that – this was not reflected in the report. As regards the pay award, Mr Lamond explained that projections had been made in accordance with the public sector pay policy, namely 2.7% in 2018/19. However, the latest pay offer was 3%; he noted that for every additional 1%, this would amount to a £1.4m cost to the Council. On the overspend in Roads Network, Mr Lamond confirmed that this was not related to capital expenditure, and that it was due to an under-recovery of income through coastal car parking charges. However, he reported that this situation was improving.

Councillor McLennan asked questions in relation to the cost recovery plan associated with the additional support for learning budget. Fiona Robertson, Head of Education, advised that transport arrangements were being reviewed, and that a consultant had been employed to look at the overall service being provided. As regards the financial position of secondary schools, Sarah Fortune – Service Manager, Business Finance, confirmed that three secondary schools were considered to be at high risk of overspending, and that work was underway to address this.

Mr Lamond provided an explanation as to how staff vacancies were being dealt with as regards contributing to efficiency savings. He also noted that a change in the criteria for care leavers had resulted in a 120% increase in children eligible for ongoing support.

Councillor Henderson questioned the impact of staff shortages on the Council house modernisation programme. Douglas Proudfoot, Head of Development, explained that it had not been possible to recruit a team manager, and that there was a number of other

vacancies, which had impacted on the programme, particularly as regards the delivery of new kitchens. Efforts were being made to recruit to these vacancies.

Responding to a question from Councillor Henderson concerning the impact of the severe weather in the spring, Mr Lamond advised that there was a link between the capital programme and the severe weather, in that it was a single workforce that covered both roads and winter maintenance, and that in years affected by severe weather, capital works could be displaced.

On the costs associated with providing care for unaccompanied children, Judith Tait, Head of Adult and Children's Services, pointed out that there was a significant funding gap – the UK Government provided funding of £200 per week for each child; however, it cost the Council approximately £2,000 per week to provide the necessary care. She advised that there were two such children in the care of the Council at present, and that the Council was not currently in a position to take additional children.

As regards coastal car parking income, Mr Lamond confirmed that this income had been generated through the cost of tickets and season tickets, but did not include parking enforcement income. He added that a report on the review of coastal car parking charges would be presented to the next PPRC meeting, and that the Head of Infrastructure could provide additional information on planned projects.

Councillor Akhtar asked about the likelihood of the Council receiving attainment challenge funding. Mr Lamond advised that the Council was currently not receiving any such funding and he did not think this position would change. Ms Robertson added that the Council did receive pupil equity funding, which was based on free school meal uptake.

Councillor Bruce asked how the Council was ensuring that the transformation programme targets would be achieved. Mr Lamond noted that significant savings had already been realised, for example, through the new website, CRM and School Pay facilities. He did warn, however, that the targets may not be fully achieved, and that individual services, which were in effect benefitting from the work of the programme team, would need to make a contribution to this.

Councillor McLennan expressed concern at the ongoing financial pressures on health and social care services and additional support for learning. He asked for more detailed information on cost recovery plans for these services within the next month, in order to be better informed during the budget process. Mr Lamond agreed to provide this information as part of the budget preparations.

Councillor Akhtar indicated that the Council's budget had been reduced by 4% over the past five years, leading to significant pressures on Council services. She anticipated that these pressures would increase, with an aging population and growing numbers of young people, as well as a rise in inflation.

Councillor Innes commended managers across the Council for their efforts to operate services within budget. However, he recognised the pressures on a number of services and anticipated that cost recovery plans in place would help address these issues.

Councillor Currie voiced his concern that efficiency measures within some services were not being achieved, and that those services would inevitably start the new financial year in an overspend position. He indicated that this overspend was approximately £3m, and that this could not be met through the use of reserves. He added that this position would represent a significant risk to the Council and have an impact on communities. He suggested that the budget was not adequate, and that this constituted a failure of policy.

Councillor Innes claimed that Councillor Currie was scaremongering, pointing out that 90% of efficiency savings would be realised. He reminded Members that additional funding had been allocated to the Adult Wellbeing budget in February 2018, and that further work would be done to address any outstanding financial issues.

Councillor Hampshire stressed that the transfer of funds from the NHS to the Council was still to be negotiated, which would alleviate the pressure on the budget. He spoke of the pressures on services due to the population growth, and paid tribute to managers for managing their budgets effectively. He added that ways of increasing income to the Council were being explored, commenting that £250,000 of additional income had been realised through the coastal car parking charges.

Councillor O'Donnell advised that the IJB was working hard on the recovery plan for health and social care services, and reiterated the Council's commitment to provide services for vulnerable people. She remarked that the SNP budget proposals had included an additional £600,000 of efficiency savings for those services.

Decision

The Council agreed to note the financial performance at the end of the second quarter of 2018/19 against approved budgets.

5. FINANCIAL STRATEGY 2019-24

A report was submitted by the Depute Chief Executive (Resources and People Services) setting out an updated Financial Strategy for the Council, covering the five-year period from 2019 to 2024, and also incorporating the new requirement to produce a Capital Strategy.

The Head of Council Resources, Jim Lamond, presented the report. He advised that the Financial Strategy and Capital Strategy provided direction on how Council resources would be managed. He stressed the importance of forward planning, but recognised the uncertainty associated with the UK's withdrawal from the EU. He drew attention to the key aspects of the report, noting that it was unlikely that the pay settlement would be reflected in the Scottish Government funding settlement. He highlighted the estimated funding gap over the next five years, as well as future capital commitments, the reserves strategy, pressures on services resulting from the delivery of the Local Development Plan, and the need to maximise income streams. He concluded his presentation by outlining the proposed strategy for the budget-setting process.

Councillor McLeod asked for the updated position as regards reserves. Mr Lamond advised that he could not provide information on this before the end of the financial year.

In response to questions from Councillor McLennan on the Council sharing services and the UK's withdrawal from the EU, Mr Lamond pointed out that partnership and collaborative working, which included shared services, was included in the Financial Strategy. On Brexit, Mr Lamond indicated that it was difficult to know at this stage if an emergency budget would be required in the event of a 'no-deal Brexit'. However, he warned that it could have a significant impact on the Council, and that a working group had been established to look at issues such as the workforce, supply chain and funding. He added that Members had been informed of progress through the Joint Consultative Committee, and that he would be happy to provide further detail to all Members. The Chief Executive offered to arrange a Members' briefing in January for this purpose.

Councillor O'Donnell made reference to a CoSLA review of the Carers Act, and asked if information was available as regards the costs associated with free personal care for younger adults, and when funding for this new duty would be made available to councils. Mr

Lamond expected that this matter would be addressed as part of the Scottish Government budget, and that funding would be allocated through the financial settlement to councils.

Councillor Currie asked how the Council would deal with any overspends and underspends at the end of the financial year. Mr Lamond explained that this would be covered in the budget briefing to Members. He advised that in-year budget pressures were taken into account when preparing for the budget, and that adjustments would be made accordingly.

On the review of the Council's asset base, Mr Lamond noted that this was an issue that was kept under constant review as part of the Corporate Asset Management Plan, and that a range of options were considered, including renting or disposing of assets.

With reference to capital investment in the school estate, Councillor Hampshire asked if it was expected that the Council would receive further funding from the Scottish Futures Trust (SFT). Mr Lamond reminded Members that the Council had received funding from the SFT and Scottish Government for the construction of the new Wallyford Primary School. He added that officers were working to secure further funding for school estate expansion, believing that the Council had a good case for such funding.

Councillor Goodfellow welcomed the inclusion in the Strategy of retaining £1m in reserve as regards the Housing Revenue Account.

The Provost noted that in order to approve the framework for amendments in respect of the budget development process, which was a departure from Standing Orders, the support of two-thirds of Members present was required. The Council unanimously agreed to approve this change.

Decision

The Council agreed:

- i. to approve the Financial Strategy, set out at Appendix 1 to the report, together with the new Capital Strategy, attached as Appendix 2 to the report; and
- ii. to approve the further refinements to the new budget development process, as set out in Section 3.6 of the report.

6. OUTCOME OF THE FEASIBILITY STUDY ON A SECONDARY SCHOOL COMMON SCHOOL DAY

A report was submitted by the Depute Chief Executive sharing the findings of the feasibility study in relation to the potential educational benefits arising from a common secondary school day and seeking 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.

The Head of Education, Fiona Robertson, presented the report, drawing attention to the consultation process and noting that, if approved, further consultation with affected staff and trades unions would take place. She indicated that the responses to the consultation had been largely positive, with 72% of respondents in favour of a common secondary school day, and 61% in favour of a 32-period week. Ms Robertson highlighted the educational benefits of the proposals, and noted that, if approved, home-to-school transport contracts would take account of the changes.

Councillor Akhtar welcomed the proposals, believing that it would result in a more equitable education experience and enhanced collaborative working across secondary schools. She

also advised that a common school day would benefit looked after children and those with additional support needs, as well as providing more vocational opportunities for children.

Decision

The Council agreed:

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

7. OUTCOME OF THE STATUTORY SCHOOL CONSULTATION ON THE PROPOSED CLOSURE OF PRESTONPANS INFANT AND NURSERY SCHOOL AND PRESTONPANS PRIMARY SCHOOL AND THE ESTABLISHMENT OF A NEW NON-DENOMINATIONAL PRIMARY SCHOOL STRUCTURE AND ITS ASSOCIATED CATCHMENT AREA FOR PRESTONPANS

A report was submitted by the Depute Chief Executive (Resources and People Services) sharing the outcome of the proposal to close Prestonpans Infant and 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. The report sought 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 and 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.

The Head of Education, Fiona Robertson, presented the report, advising of the consultation process and responses. Members were advised that 33% of respondents were in favour of the proposals and 60% of respondents were not in favour, and that there were differing views between the two Parent/Carer Councils. However, she highlighted the educational benefits of having one single school, as set out in the report by Education Scotland. She noted that, if approved, there would be an eight-week call-in period by Scottish Ministers. There would also be further engagement with the community.

In response to questions from Members, Ms Robertson referred to a recent inspection report for Prestonpans Primary School, which had identified gaps in numeracy and literacy for pupils moving from P3 to P4; she advised that this issue would be resolved through effective curriculum planning. She also informed Members that a transition action group would be established to look at a variety of issues, including school name, uniform and communication plan. On pupil equity funding, Ms Robertson advised that such funding for the schools would be brought together and could be used in a more efficient and targeted way. On children with additional support needs, she explained that there would be benefits in that their support staff could move with them through their school years.

Helen Gillanders, Head Teacher of Dunbar Primary School, highlighted the wider opportunities for teaching staff in a through-school, as well as them having a fuller understanding of all stages of the school.

Ms Robertson spoke of the importance of engaging with parents and carers, noting that a number of meetings had been arranged, and that Mrs Gillanders would also provide input to that process, particularly as regards continuity and consistency of approach.

Councillor Innes emphasised the importance of this matter, particularly considering the differing opinions on the proposals among the community. He paid tribute to the head teachers and teachers in both schools. Referring to issues raised during a recent inspection report of Prestonpans Primary School, he accepted that improvements were required, and that it was therefore appropriate to look at the school structure as part of addressing these issues. He also recognised that some people in the community would be disappointed if the proposals were approved. However, he felt that the proposals would benefit the community in the long term, and declared that he would support them. He asked the Head of Education to advise Members further on any additional support required.

Councillor Bruce concurred with Councillor Innes' comments, adding that creating one school was central to the continuity of progress.

Councillor O'Donnell commented that there was a great deal to be gained by creating one school, particularly as regards delivering change, adopting a consistent approach, supporting children with additional needs, and being able to target pupil equity funding more effectively.

Councillor Gilbert highlighted the importance of continuity and of the need to improve the transition between P3 and P4. He advised that he would support the proposals.

With reference to the recent creation of a new primary school in Haddington, Councillor Trotter advised that this proposal would benefit the children's education. His views were shared by Councillor McLennan, who referred to the set-up in Dunbar, which was viewed positively by pupils, parents and teachers. He added that performance had improved, due to the leadership of Helen Gillanders and her team. Councillor Hampshire shared this view, anticipating that the concerns of parents would be addressed once the change had taken place.

Councillor Akhtar thanked members of the community for their engagement in the process. She also emphasised the importance of the transition action group.

Decision

The Council agreed 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 and Nursery School and Prestonpans Primary School would be closed and a new single primary school structure covering Nursery to P7 and its associated catchment area would be established for Prestonpans; and
- ii. the closure of Prestonpans Infant and Nursery School and Prestonpans Primary School and the establishment of a new single primary school structure and its associated catchment area would take effect from February 2019, or as soon as possible thereafter.

8. LOCAL GOVERNANCE REVIEW – EAST LOTHIAN COUNCIL RESPONSE FOR AGREEMENT

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) seeking approval of the Council's response to the Local Governance Review currently being carried out by the Scottish Government and CoSLA.

Christine Dora, Executive Officer, presented the report, advising that the cross-party working group had met a number of times, and had been assisted by officers and Professor James Mitchell of the University of Edinburgh. She drew attention to the proposed Council response to the review.

A number of Members thanked Ms Dora and other officers for their input, noting that the process had been positive and beneficial.

Decision

The Council agreed to approve the proposed response to the Local Governance Review, as set out in Appendix 1 to the report.

9. STATUTORY REVIEW OF POLLING DISTRICTS AND POLLING PLACES 2018

A report was submitted by the Depute Chief Executive (Resources and People Services) informing 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.

The Head of Council Resources presented the report, advising that only minor changes were proposed. He noted that there had only been one response to the consultation, which was in favour of the changes.

Decision

The Council agreed to approve the proposed polling scheme for East Lothian Constituency, attached as Appendix 1 to the report.

10. AMENDMENTS TO STANDING ORDERS – SCHEME OF DELEGATION

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval of proposed changes to the Scheme of Delegation.

The clerk advised that the proposed changes related to the duties and responsibilities of the Heads of Infrastructure and Development, as well as the addition of statutory appointments as regards Licensing and Data Protection and Records Management.

Decision

The Council agreed to approve the proposed changes to the Scheme of Delegation, as set out in Appendix 1 to the report.

11. SUBMISSIONS TO THE MEMBERS' LIBRARY, 20 OCTOBER – 3 DECEMBER 2018

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

Decision

The Council agreed to note the reports submitted to the Members' Library Services between 20 October and 3 December 2018, as listed in Appendix 1 to the report.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

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

Referral to Council by Musselburgh Common Good Committee

A private report referred to Council from Musselburgh Common Good Committee in respect of an application for funding submitted by the Brunton Theatre Trust was continued to a future meeting of the Council.