



MINUTES OF THE MEETING OF THE CABINET

**TUESDAY 22 JANUARY 2019
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

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

Other Councillors Present:

Councillor F Dugdale
Councillor J Findlay
Councillor A Forrest
Councillor J Henderson
Councillor K Mackie
Councillor C McGinn

Council Officials Present:

Mrs A Leitch, Chief Executive
Ms M Patterson, Depute Chief Executive – Partnerships and Community Services
Mr A McCrorie, Depute Chief Executive – Resources and People Services
Ms A MacDonald, Acting Director, Health and Social Care Partnership
Mr J Lamond, Head of Council Resources
Mr T Reid, Head of Infrastructure
Ms S Saunders, Head of Communities and Partnerships
Mr D Proudfoot, Head of Development
Ms F Robertson, Head of Education
Ms J Tait, Head of Children and Adult Services
Mr C Grilli, Service Manager – Legal and Procurement
Ms S Fortune, Service Manager – Finance
Mr P Vestri, Service Manager – Corporate Policy and Improvement
Ms L McLean, Service Manager – Strategic Asset and Capital Plan Management
Mr J Coutts, Service Manager – Community Housing and Homelessness
Ms N Sandford, Team Manager – Housing Options
Mr P Ritchie, HR Business Partner
Mr S Cooper, Team Manager – Communications

Clerk:

Ms A Smith

Apologies:

None

Declarations of Interest:

None

1. MINUTES FOR APPROVAL – CABINET 13 NOVEMBER 2018

The minutes of the meeting of the Cabinet of 13 November 2018 were approved.

2. SUMMARY OF CONTRACTS AWARDED BY EAST LOTHIAN COUNCIL, 4 SEPTEMBER 2018 - 9 JANUARY 2019

A report was submitted by the Depute Chief Executive (Resources and People Services) advising Members of all contracts awarded by the Council from 4 September 2018 to 9 January 2019, with a value of over £150,000.

Councillor Hampshire welcomed the awarding of these two contacts commenting that these companies tended to employ from the East Lothian workforce.

Decision

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

3. DRAFT EAST LOTHIAN RAPID REHOUSING TRANSITION PLAN, 2019/20 - 2023/24

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) advising Cabinet of the newly titled strategic policy objective 'rapid rehousing' and presenting the draft East Lothian Rapid Rehousing Transition Plan (RRTP) 2019/20–2023/24 prior to Scottish Government assessment and evaluation.

Nicky Sandford, Team Manager – Housing Options, presented the report. She referred to the background to this policy objective, highlighting the key aims of rapid rehousing and drawing attention to Housing First, which referred to a specific model of combined accommodation and support. The Council had made good progress in tackling homelessness in recent years; she provided further details adding that the supply of affordable housing was key. The Council still faced significant homelessness challenges, which she outlined. She drew attention to the financial implications, taking Members through this in detail. Ms Sandford advised that actions set out in the draft RRTP were predicated on the funding request being met in full. The final RRTP would be brought to Cabinet in May.

Responding to Councillor Hampshire, Ms Sandford clarified that the overall budget allocated to the 32 Scottish local authorities was £21million. £2m had already been used so only £19m remained; £15m of this would be allocated to the 27 non-city local authorities.

In relation to questions from Councillor O'Donnell about appropriate support, Ms Sandford stated there were a number of projects ongoing/planned including the Home and Belonging Project for care experienced young people and other flat sharing models.

Councillor Mackie, referring to B&B use for temporary accommodation asked if the Scottish Government's 7-day cap was achievable. Ms Sandford advised that changes to the legislation were imminent. The Minister had reviewed the current 7-night stay, it was against Human Rights and the rule would be changed to apply to all households regardless of whether or not they had children. The Council aimed not to have any breaches and there had only been three in the past few years. There was now a more coherent approach to homelessness but it remained a huge challenge.

Councillor Henderson, whilst accepting that reducing homelessness must be addressed, queried if the RRTP might encourage people to put themselves into a situation where they could be rehoused quicker. Ms Sandford said that evidence from another Scottish local authority showed that homelessness presentations increased slightly however that council felt that this allowed for a more preventative approach. It was likely that there would be an increase but how this was managed would be key.

Councillor Akhtar, referring to vulnerable young people and the Life Changes Trust, queried resources. Ms Sandford advised that the Council had applied for £200,000 from this Trust and, if approved, 20 care experienced young people would benefit from this. She added that protocols for care experienced young people were also being reviewed; a number of different projects would be initiated/progressed over the next few years.

Councillor Goodfellow welcomed this very comprehensive report and thanked Ms Sandford. The report highlighted the huge tasks facing the Council in addressing homelessness across the county. The draft RRTP set out a framework for action for the next 5 years; its aim was to make a meaningful impact. He looked forward to the Scottish Government's assessment of the Council's draft RRTP and their response regarding the funding allocation.

Councillor Henderson stated this was a very useful and thorough report.

The Convener endorsed the comments from his colleagues.

Decision

The Cabinet agreed to approve the draft East Lothian RRTP 2019/20-2023/24 as submitted to the Scottish Government, including the aims of the draft RRTP, associated work required to achieve these aims and corresponding request for additional resources totalling £7.221m if East Lothian Council is to achieve own aims under rapid rehousing by 31 March 2024 (£5.225m capital funding and £1.996m revenue funding).

4. COUNCIL ASSET STRATEGY AND MANAGEMENT PLAN 2018 - 2023

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) setting out the background to and seeking approval of the Council Asset Strategy and Management Plan 2018-23.

Liz McLean, Service Manager – Strategic Asset and Capital Plan Management, presented the report, outlining the key objectives of the Plan. The Plan set out the structure and governance for the Corporate Landlord model. The Capital Investment and Asset Management Group (CIAMG) was the senior officer governance body with a remit to ensure a culture and practice of corporate management of assets across the Council. She highlighted the challenges facing the Council, advising that the Plan set out a guiding principle of future asset management to reduce the footprint of the asset base and associated operational and staffing costs. Turning to the Action Plan (Schedule 2) she informed Members that all work was ongoing and would be reported on regularly.

Councillor Hampshire, referring to the 270 Operational Assets, noted that the number of assets had been reduced over the years and queried the reduction rate and differential. Ms McLean reported that the main reduction had been to the office estate, over the last 8 years this had reduced by 20%. There was a significant amount of work to do to reduce the asset footprint; the challenge going forward was to do this in a more innovative way.

Jim Lamond, Head of Council Resources, responding to Councillor Findlay's query, confirmed that no borrowing had been secured against these assets.

Responding to Councillor Henderson, Ms McLean confirmed that regular issues would be brought forward during the course of the year through the relevant committee.

Councillor Akhtar, referring to the Proposed Priorities, specifically the sections on Education and Lifelong Learning and Children's Services, asked how the challenges facing Children's Wellbeing fitted into this. Ms McLean confirmed that officers had met with colleagues in the relevant service areas. Judith Tait, Head of Children and Adult Services, added that managers were attending the appropriate meetings to ensure that the right discussion points were taken forward.

Councillor McMillan commented that the strategic vision and objectives set out in Schedule 1 would be beneficial in reviewing the Action Plan.

Councillor Hampshire, referring to the Budget Development item on the agenda, highlighted the need to rationalise the number of properties the Council owned.

The Convener stated it was vitally important how the Council used its assets. He added that how Members could have input into the rationalisation process would be discussed with the Chief Executive.

Decision

The Cabinet agreed to note the content of the report and approve the Council Asset Strategy and Management Plan 2018-23.

5. POLICY ON SEVERE WEATHER OR ADVERSE EVENTS

A report was submitted by the Depute Chief Executive (Resources and People Services seeking approval for the new HR Policy on Severe Weather or Adverse Events replacing the current Adverse Weather Policy and Absences Outwith Employees Control.

Paul Ritchie, HR Business Partner, presented the report, outlining the background to the revised Policy. He gave details of the consultation responses. He drew attention to the main changes in the revised Policy. He informed Members that the focus was about employee safety and linking in with Business Continuity Plans.

Councillor Findlay, referring to section 2.5 of the Policy, remarked that he did not believe staff living in rural communities should be penalised if they were unable to get to work due to severe weather.

In response, Councillor Hampshire highlighted the difficulty of taking into account all varying circumstances. The Chief Executive, Angela Leitch, clarified that since the period of severe weather last year there had been significant effort to raise awareness of Business Continuity Plans, staff needed to be aware of the Plan for their service area so the Authority could fully deploy resources as and when required.

The Convener stated that following last year's severe weather the Council had requested a review of the Policy to reflect the circumstances of that event and to address this matter. It was important the Council had a comprehensive Policy in place to deal with these type of events. He hoped the revised Policy brought clarity.

Decision

The Cabinet agreed to approve the revised Policy with immediate effect and rescind the current Adverse Weather Policy and Absences Outwith Employees Control.

6. BUDGET DEVELOPMENT 2019

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

Mr Lamond presented a detailed report. He referred to the public budget consultations for General Services and the annual statutory consultation with rent payers; Appendices 1 and 2 contained the summary results. Based upon a draft Scottish Budget, the Council had received a written grant settlement offer from the Cabinet Secretary for Finance. He stressed that the draft Scottish Government Budget would not be finalised until 21 February and therefore, as with all other councils, the terms of the settlement offer were subject to change up until that date. Notwithstanding this, section 3.5 of the report gave information on the Local Government Settlement nationally and locally in relation to key features affecting this Council. The settlement offer represented a significant reduction in Scottish Government funding and consequently the Council would need to make significant reductions to its cost base or generate additional income. Similar to last year the level of uncertainty and the potential for change to the Scottish Budget and perhaps the Local Government Settlement was significant although impossible to predict with any certainty.

Turning to the Draft Administration Budget Proposals, Mr Lamond advised that these had been prepared in accordance with the Council decisions taken on 30 October and 11 December and were contained in Appendices 3 and 4 for General Services and Appendix 5 for HRA. Section 3.7 of the report gave an explanation on limitations and constraints within which the draft proposals had been prepared including the assumption made by the Administration about a further grant contribution from the Scottish Government. He outlined the next steps in the budget process, including previously agreed arrangements for submitting amendments.

Responding to a question from Councillor Findlay regarding Transfer to/(from) Reserves detailed within Appendix 3, (Corporate Income) Mr Lamond advised that the Council in December had set out classification of reserves in its Financial Strategy. Any alteration to current reserves would reflect a departure from this Strategy

Councillor Goodfellow, referring to Appendix 5 (HRA Budget Proposals), specifically Debt to Income, queried the increasing trend and asked whether in 2024/25 it would be very close to 40%. Mr Lamond advised that it was difficult to say with any certainty, given there were a number of variables. Generally, if the increasing trend continued the figure could come close to the limit, but he added that this limit had been self-imposed by the Council by its Financial Strategy and therefore with Council support, could be modified if deemed appropriate.

Councillor Hampshire, in relation to the General Services Budget, asked how much additional money the Scottish Government were providing for dealing with the pay award and the growth of the East Lothian population. Mr Lamond said that in relation to the non-teachers' pay award there was no money reflected in the settlement for this; it was more

complicated however as regards the teacher pay award with the Scottish Government pledging to make a contribution towards the final pay settlement.

The Convener stated that this had been the most difficult budget he had dealt with. This was disappointing because the Council had received an excellent Best Value Assurance Audit and Audit Scotland had commended both the Council's Financial Stewardship and Financial Strategy. East Lothian was one of, if not the, fastest growing areas in Scotland and the Council made a significant contribution to the SNP's national programme for government. There had been a hope that the settlement would take account of these factors, however, this has not been the case. The cut in revenue funding received was devastating and would result in a significant reduction in the Council's ability to protect the people of East Lothian. The Council had been placed in an extremely precarious position. The Convener informed Members that he had written to the Cabinet Secretary highlighting these concerns, stressing that the extent of the cuts the Council was being forced to make meant there would be no choice but to propose and recommend that council tax in future years would have to rise beyond his cap of 3%. The Administration's draft budget proposals were based on the draft settlement which itself may change. Discussion would take place with the Opposition Groups and final proposals would be presented to the Council at its budget-setting meeting on 12 February.

Decision

The Cabinet agreed:

- i. to approve the draft budget proposals as contained within the report appendices noting the intention of the Council Leader to invite further discussion with other political groups via Group Leaders between now and the formal budget setting meeting of Council on 12 February; and
- ii. to request that any formal amendments to the draft proposals be submitted in accordance with the timeline agreed by Council on 11 December 2018.

Signed

Councillor Willie Innes
Council Leader and Convener of the Cabinet