



## MINUTES OF THE MEETING OF EAST LoTHIAN COUNCIL

TUESDAY 27 AUGUST 2019  
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON

1

### 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 C Hoy  
Councillor W Innes  
Councillor G Mackett  
Councillor K Mackie  
Councillor C McGinn  
Councillor P McLennan  
Councillor K McLeod  
Councillor F O'Donnell  
Councillor T Trotter  
Councillor J Williamson

### Council Officials Present:

Mrs A Leitch, Chief Executive  
Mr A McCrorie, Depute Chief Executive (Resources and People Services)  
Ms M Patterson, Depute Chief Executive (Partnerships and Community Services)  
Mr J Lamond, Head of Council Resources  
Mr D Proudfoot, Head of Development  
Mr T Reid, Head of Infrastructure  
Mrs F Robertson, Head of Education and Children's Services  
Ms S Saunders, Head of Communities and Partnerships  
Mr S Cooper, Team Manager – Communications  
Mr N Craik-Collins, Lead Officer – Curriculum and Estate Development (Education)  
Ms R Crichton, Committees Officer  
Ms C Dora, Executive Officer  
Ms S Fortune, Chief Operating Officer – Finance  
Mr C Grilli, Service Manager – Legal and Procurement  
Ms J Lothian, Sustainable Energy and Climate Change Officer  
Ms K MacNeill, Service Manager – People and Governance  
Mr I McFarlane, Service Manager – Planning  
Ms W McGuire, Team Leader – Strategy and Development  
Ms J Tait, Chief Operating Officer – Children's Services  
Mr P Vestri, Service Manager – Corporate Policy and Improvement

### Visitors Present:

None

### Clerk:

Mrs L Gillingwater

**Apologies:**

Councillor S Kempson

**Declarations of Interest:**

None

**Order of Business:**

*Prior to the commencement of business, the Provost made reference to an additional item of business, concerned with the School Learning Estate Review. The Provost advised that this item had inadvertently been omitted from the agenda as published on 20 August 2019, and that it would be taken immediately following Item 7 on the published agenda.*

**1. MINUTES FOR APPROVAL**

The minutes of the meeting of East Lothian Council held on 25 June 2019 were approved.

**2. MINUTES FOR NOTING**

The minutes of the Local Review Body (Planning) meetings of 16 May and 20 June 2019 were noted.

**3. SUMMARY OF REPORTS APPROVED IN ACCORDANCE WITH SUMMER RECESS ARRANGEMENTS 2019**

A report was submitted by the Depute Chief Executive (Resources and People Services) informing the Council of the urgent business undertaken over the summer recess period in terms of the procedures set out in Standing Order 15.5 and in line with the decision taken at its meeting on 25 June 2019.

The clerk advised that three reports had been approved in accordance with the recess procedures, and these were set out in Section 3 of the report. She noted that all three reports had been published in the Members' Library.

The Provost welcomed in particular the approval of the report regarding town centre funding and thanked all those involved in that project.

**Decision**

The Council agreed to note the business undertaken over the summer recess.

**4. REVIEW OF GOVERNANCE OF COMMON GOOD - UPDATE**

A report was submitted by the Depute Chief Executive (Resources and People Services) updating Council on progress of the Review of the Governance of Common Good.

Kirstie MacNeill, Service Manager – People and Governance, presented the report, reminding Members of the Council's decision in June 2019 to appoint a surveyor to undertake an assessment of the condition of Common Good buildings and a solicitor to examine the title deeds of properties to ensure that all Common Good assets are recorded. She advised that, since that meeting, a cross-party group had been set up to look at

Common Good governance matters, and that the group had met twice. She noted that a new process would be in place by the next meetings of the Common Good Committees whereby members of the committees would be provided with an explanation as to why rejected applications had not met the criteria for funding. Making reference to the complexity of the issues under consideration, she added that the group would continue to meet monthly and that a further report would be presented to Council by the end of 2019.

Councillor Currie emphasised the importance of identifying and maintaining Common Good assets in order that they could be brought into use. He recognised, however, that there may be some limitations on the use of listed buildings. He was of the opinion that the priority for Common Good funds should be the maintenance of assets. His views were shared by Councillor Williamson, who commented on the wide scope of this piece of work and the potential impact on Common Good funds.

Councillor Henderson welcomed the work of officers and the cross-party group in progressing this matter.

### **Decision**

The Council agreed to note the report and that a further report would be brought to Council with recommendations for change, as developed by the cross-party working group.

## **5. 2019/20 QUARTER 1 FINANCE REVIEW**

A report was submitted by the Depute Chief Executive (Resources and People Services) informing the Council of the financial position as at the end of June 2019.

The Head of Council Resources, Jim Lamond, presented the report, informing Members of an overspend of £800k (c. 1.6% of the planned budget) on the General Services budget at the end of the first quarter, signalling that there was a risk of the Council overspending in 2019/20 relative to approved budgets. He noted that all budget-holders had been reminded of the importance of working within their budgets. On General Services Capital, he anticipated that the rate of spending would accelerate during the course of 2019/20, and as regards the Housing Revenue Account, he reported a break-even position for Quarter 1, anticipating that expenditure on new affordable housing and the modernisation programme would be in accordance with approved plans.

Councillor Akhtar asked how the overspend in the Children's Services budget was being addressed. Judith Tait, Chief Operating Officer – Children's Services, advised that the main reason for the overspend was concerned with the number of children in external placements. She explained that improvement plans were now in place, which were aligned with the Education Service, and that all external placements had been reviewed, with a view to returning as many children as possible to East Lothian. Other measures being taken included greater partnership working and benchmarking. Ms Tait noted that a bid to the Cost Reduction Fund to implement prevention and early intervention measures had been successful. She reassured Members that improvements were being implemented, but that it may take time to realise the benefits of those measures.

Councillor McLennan raised questions in relation to efficiencies in the Education Service and the UK's exit from the EU. Mr Lamond reminded him that corporate savings across all Council services were proportionate, and that services were expected to manage vacancies effectively. He accepted that this was more challenging for the Education Service. Fiona Robertson, Head of Education and Children's Services, added that, rather than looking at specific posts, she was looking at how services were being delivered. On Brexit, Mr Lamond advised that there was a group of officers monitoring the risks and mitigation measures, and

that it was difficult to anticipate the impact at this time. He undertook to report back to Council should there be an impact on the delivery of services or Council policy. It was noted that further information on this point would be provided in the Corporate Risk Register, to be reported to Cabinet on 10 September.

In response to a question from Councillor Williamson regarding the budget for the new secondary school in Musselburgh, Mr Lamond advised that design work on this facility was now underway, in conjunction with the Scottish Futures Trust. He had no concerns at this time as to the delivery of the school.

Councillor McLeod asked if Members could be provided with information on the roads programme. Tom Reid, Head of Infrastructure, undertook to provide Members with more details on this programme.

Councillor Currie questioned the budget allocated for Children's Services, given the level of overspend at the end of the first quarter. Mr Lamond advised that controls and cost recovery plans were now in place; should these measures not achieve the required savings, then he would report back to Council.

On early learning spending, Mrs Robertson reported that the 1140 hours initiative was progressing as planned. She offered to provide Members with further information on this.

Councillor Henderson emphasised the need for efficiency savings to be sustainable and asked how this would be achieved. Mr Lamond assured Members that sustainability was a key factor for managers in working within their budgets.

Opening the debate, Councillor Goodfellow highlighted the progress in installing charging points for electric vehicles, noting that the Council had been nominated for a national award for its work in this area.

Councillor Currie expressed concern at the level of overspending within some services at this point in the financial year and at the long-term consequences of recovery action being taken. He suggested that the approved budget should be reconsidered in light of this position. He also warned that the UK's exit from the EU could have a significant impact on the Council, especially regarding the provision of care services, and he called for a report to Council on this matter.

On Health and Social Care, Councillor O'Donnell advised that the Director of that service was looking at different ways of providing services in order to get best value and better outcomes for those in the greatest need. She announced that the Wellwynd Hub in Tranent had been shortlisted by CoSLA for a Service Innovation and Improvement award. She also urged Members to read the IJB Annual Report, and made reference to the workforce plan, which included a strategy to deal with the potential impact of Brexit.

Councillor McGinn thanked Ms Tait for her work in returning children in external residential placements to East Lothian.

Councillor Hampshire concluded the debate by reassuring Members that every effort was being made to reduce the number of children in external placements. He anticipated that the financial position of this service would improve throughout 2019/20.

## **Decision**

The Council agreed to note the financial performance at the end of the first quarter of 2019/20 against approved budgets.



## **6. 2019 EAST LoTHIAN RESIDENTS SURVEY**

A report was submitted by the Depute Chief Executive (Partnerships and Community Services) presenting a summary of the main findings of the 2019 East Lothian Residents Survey and identifying some of the planned and potential uses of the survey data.

The Corporate Policy and Improvement Manager, Paolo Vestri, presented the report. He advised that 1680 people had been interviewed for the survey, and that a copy of the results had been made available to Members. He summarised the key results of the survey, which covered: Neighbourhood and Quality of Life; Perceptions of the Council and Public Services; Local Priorities; Community Safety; and Health and Wellbeing.

Mr Vestri responded to questions from Members, confirming that the methodology used was the same as that used by other councils and by market research companies, that it was regulated and robust, that each ward was represented, and that the questions followed the same pattern used by the Council in its survey of 2017. On the observation that there was a high number of 'don't know' responses, he noted that there had been an increase in the number of such responses this year, but that he did not have further detail as to the reasons for this. It was his intention to set up focus groups in order to obtain more detailed information on responses and to ask follow-up questions.

Councillor Henderson remarked that scaling up responses may not always provide accurate information.

Councillor Akhtar welcomed the responses, which she believed demonstrated that there was a strong sense of community within East Lothian and that residents felt that it was a safe place to live. She paid tribute to staff for their delivery of high quality services, and to partner organisations and local community groups for their contributions to their communities. Her comments were echoed by Councillor Hampshire, who added that the results showed that the quality of life in East Lothian was of a very high standard.

Councillor Currie cautioned that the survey was a snapshot in time and had only involved a small proportion of the population, and that the results may not provide a true reflection of people's experiences. He was interested to see further detail on the 'don't know' responses. He thanked staff, partners and community groups for their efforts in providing services.

On the ability of residents to influence decisions, Councillor Goodfellow suggested that this may be related to recent planning decisions which had been made or overturned by the Reporter, thereby going against the wishes of communities.

Councillor McGinn highlighted the positive impact of local voluntary organisations.

Councillor Innes concluded the debate by commenting that the survey provided the Council with an indication of people's views, and that it was important to recognise the positive responses. However, he warned against becoming complacent, especially during challenging times.

### **Decision**

The Council agreed:

- i. to note the main findings of the 2019 Residents Survey presented in the report, as well as the availability of further data at both East Lothian wide and ward level; and
- ii. to note how the data generated by the Residents Survey was being used.

## **7. APPOINTMENTS TO COMMITTEES AND OUTSIDE BODIES**

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval of proposed changes to the membership of committees and representation on outside bodies.

The clerk advised that the proposed changes had been brought forward by the Conservative Group following the election of Councillor Hoy.

### **Decision**

The Council agreed:

- i. to approve the following appointments to committees:  
Audit and Governance Committee – Councillor Hoy (replacing Councillor Findlay)  
Education Committee – Councillor Hoy (replacing Councillor Mackie)  
Joint Consultative Committee – Councillor Bruce (filling vacancy)  
Planning Committee – Councillor Mackie (filling vacancy)  
Police, Fire and Community Safety Scrutiny Committee – Councillor Hoy (replacing Councillor Henderson)  
Policy and Performance Review Committee (Councillor Hoy (replacing Councillor Henderson))
- ii. to approve the following appointments to outside bodies:  
SESTRAN – Councillor Hoy (filling vacancy)  
Lothian Valuation Joint Board and Lothian Electoral Joint Committee – Councillor Findlay (replacing Councillor Henderson)

## **7. SCHOOL LEARNING ESTATE REVIEW**

A report was submitted by the Depute Chief Executive (Resources and People Services) advising the Council of the proposed review of the school learning estate, which would be carried out with a view to adopting a long-term strategic approach to the development and design of the school estate to ensure that it is fit for the future and delivers maximum educational benefits for children in East Lothian.

The Head of Education and Children's Services, Fiona Robertson, presented the report, advising of the need for the Council to undertake a review of the school learning estate in order to meet the challenges presented by an increasing population and the requirements of the Local Development Plan. She made reference to the Council's response to an information request by the Scottish Government relating to the status of the Council's progress in developing a Local Learning Estate Strategy. She also outlined the proposed review process, noting that the review would focus on the primary school estate.

In response to questions from Members, Ms Robertson advised that the review was a large-scale, long-term project, which would involve engagement with the school community, including Parent-Carer Councils, and which would link in with the Local Development Plan.

Councillors Currie and McLennan asked if it would be appropriate for the Education Committee to receive detailed reports and for any recommendations from those to be presented to Council for approval. Ms Robertson noted that it was custom and practice for school consultation reports to be presented to Council, and that this particular review also covered some community assets and was therefore broader than education. The Chief Executive added that there may be aspects of the work that could be reported to the Education Committee, but others that would need to come before Council. She undertook to

provide regular briefings to Members and offer opportunities for Members to provide input into the review.

Councillor Currie reiterated his view that the Education Committee should have a more prominent role in the review, and noted that the SNP Group would reserve their position on this matter.

As Cabinet Spokesperson for Education and Children's Services, Councillor Akhtar noted that she would discuss this matter further with Councillor McLennan. She emphasised the importance of the review as regards developing skills, reducing the attainment gap and increasing resilience, as well as meeting the challenges associated with population growth. She urged communities to engage with the review.

## **Decision**

The Council agreed:

- i. to note the content of the report;
- ii. to grant permission to the Education and Children's Service to undertake a full public pre-consultation exercise on the school estate and a comprehensive review of the school learning estate to ensure that it is fit for the future and fulfils the aspirations of Curriculum for Excellence;
- iii. to develop a Learning Estate Investment Plan (LEIP), taking account of the Council's Asset Strategy and Management Plan 2018-2023, to ensure that all Council assets and service provision are considered within the learning estate review; and
- iv. to agree that following the pre-consultation and the full Council's consideration of its outcomes, the Education and Children's Service would prepare a set of proposals to be considered by full Council.

## **8. NOTICE OF MOTION: EAST LOTHIAN COUNCIL SUPPORT FOR THE CHANGE AND CHECK CAMPAIGN**

A motion was submitted to the Council by Councillors Hoy and Henderson, as set out below:

East Lothian Council congratulates Helen Addis and Lorraine Kelly for the Change and Check Campaign, which sees breast cancer 'reminder' stickers being placed in bathrooms and changing facilities across the UK; believes that Change and Check stickers have been distributed in changing rooms nationwide in stores such as John Lewis and Partners, Asda, Warehouse and David Lloyd gyms and in 10,000 facilities operated by the Metropolitan Police; supports the simple idea of getting people to check for the signs of breast cancer whilst getting changed; and that East Lothian Council commits to placing stickers in changing rooms across all Council facilities, and encourages their display in sports and swimming centres operated by Enjoyleisure.

Councillor Hoy proposed the motion, advising that there were 55,000 diagnoses of breast cancer each year in the UK, with 4,700 of those in Scotland. He highlighted the importance of early diagnosis, noting that mortality rates were falling due to early detection and treatment. He urged the Council to take action to encourage people to check for signs of the disease by way of the Change and Check Campaign, championed by Helen Addis and Lorraine Kelly. This would involve stickers being placed on mirrors and in changing areas within Council facilities. He announced that Bill Axon, the manager of Enjoyleisure had

already pledged support for the campaign and hoped that the Council and local businesses would do likewise.

Councillor Henderson seconded the motion.

Councillor Currie declared that he would support the motion and suggested that the Council's partners, including the East Lothian Partnership, should also support the campaign to raise awareness of breast cancer.

Councillor McLeod welcomed the motion and the NHS breast screening programme.

Summing up, Councillor Hoy thanked Members for their support and welcomed the suggestion to encourage the Council's partners to support the campaign.

The Provost moved to the vote on the motion, which was supported unanimously.

### **Decision**

The Council agreed to approve the motion, as submitted by Councillors Hoy and Henderson.

## **9. NOTICE OF MOTION – COMMUNITY BENEFIT SCHEME**

A motion was submitted to the Council by Councillors Gilbert and Williamson, as set out below:

To establish a cross-party group to be advised of the possibilities of a community benefit scheme arising from the development of the Inch Cape Offshore Wind Farm, the power from which is to be brought ashore at Cockenzie.

Although offshore wind power schemes are provided on a voluntary basis similar developments have provided community benefit schemes throughout Scotland; the Inch Cape Wind Farm has the potential to do likewise. The formation of this group would allow a start to exploring the way forward.

Councillor Gilbert proposed the motion, explaining that for offshore wind farm developments, community benefit contributions were provided on a voluntary basis to the areas affected by the development. He noted that, to date, every offshore wind farm development in Scotland had made funding available for community benefit schemes. He wished to inform the local community of such schemes at an early stage.

Councillor Williamson seconded the motion.

Councillor Innes welcomed the motion and the potential benefits to the local community of such a scheme. However, he believed that there was no need to establish a cross-party group to consider this matter, as any proposals could be considered by the Cockenzie Community Forum. He asked Councillors Gilbert and Williamson if they would be prepared to accept a change to their motion to 'extend the remit of the Cockenzie Community Forum to explore the possibilities of a community benefit scheme'. Councillors Gilbert and Williamson indicated that they were prepared to amend their motion accordingly.

Councillor Bruce spoke in support of the motion and the proposed amendment, remarking on the importance of involving the community as much as possible.

Councillor Currie welcomed the potential opportunities for the local community and wider East Lothian community.

Councillor McMillan noted that, should the amended motion be approved, the final sentence would need to be deleted. He then moved to the vote on the motion, as amended:

To extend the remit of the Cockenzie Community Forum to explore the possibilities of a community benefit scheme arising from the development of the Inch Cape Offshore Wind Farm, the power from which is to be brought ashore at Cockenzie.

Although offshore wind power schemes are provided on a voluntary basis similar developments have provided community benefit schemes throughout Scotland; the Inch Cape Wind Farm has the potential to do likewise.

The motion, as amended, was supported unanimously.

### **Decision**

The Council agreed to approve the motion, as amended, submitted by Councillors Gilbert and Williamson.

## **10. NOTICE OF MOTION – CLIMATE EMERGENCY**

A motion was submitted to the Council by Councillors Hampshire and Akhtar, as set out below:

There is a global climate emergency. The evidence is irrefutable and the science is clear. Warnings have been issued about the damage human beings are causing to the planet and how that damage has accelerated over the past 50 years.

The impacts of climate change are having a serious effect on our communities.

We believe it is not too late for us to turn things around, but to do so requires transformative change and action now.

East Lothian Council therefore resolves to:

Declare a climate emergency that requires urgent action to make all our Council services net zero carbon by 2045 and to lobby, support and work with all relevant agencies, partners and communities to fulfil this commitment. East Lothian Council will also commit to work with our communities and partners towards making East Lothian a carbon neutral county as well as enabling the county to deliver its part of wider national and international commitments.

Councillor Hampshire proposed the motion, explaining that he had brought it forward in order to highlight the damaging effects of climate change, including extreme weather events, loss of life and destruction of communities. He asserted that if urgent action was taken, global warming could be limited to 1.5°C. Noting the need for the UK and Scottish Governments to implement changes to mitigate the effects of climate change, he urged the Council to act, in collaboration with its partners and businesses across East Lothian. He drew attention to measures being taken by the Council, including the installation of solar panels on new Council homes and other buildings, and the installation of charging points for electric vehicles. He also called on the Council to plant more trees to reduce the risk of flooding in certain areas. Councillor Hampshire recognised the challenges facing the Council in tackling

climate change and that there was a need to work in partnership with others in order to meet these challenges.

Seconding the motion, Councillor Akhtar stressed the importance of Council's commitment to tackling climate change through providing energy-efficient public services. She made reference to the Council's draft Climate Change Strategy and to forthcoming workshops, to which she encouraged the public to attend. She added that the UK Parliament had been the first parliament in the world to declare a climate emergency, supported by the Scottish and Welsh Parliaments.

In response to a question from Councillor McLennan on the type of actions the Council could take and how these would be measured, Councillor Hampshire advised that a Climate Change Strategy was currently being developed, and that the Council would seek to work with its partners, local businesses and communities with a view to reducing their carbon output. Douglas Proudfoot, Head of Development, advised that the draft Climate Change Strategy would be presented to Cabinet in November. He emphasised the importance of working with Government and partners and also of working within a legal framework. He undertook to provide Members with further information.

Councillor Gilbert asked if Councillor Hampshire would be willing to amend the motion to reflect that the Council should make its services net zero carbon 'as soon as practicable and in any case by 2045'.

Councillor Currie welcomed the motion. On climate change protests, he stressed that school children in receipt of an Education Maintenance Allowance (EMA) should not lose any of their allowance should they attend such events.

A number of Members voiced their support of the motion, providing examples of initiatives that had been or could be implemented to improve energy efficiency and protect the environment.

Summing up, Councillor Hampshire indicated that he was prepared to amend the motion to take account of Councillor Gilbert's suggestion. He thanked Members for their support for the motion. He welcomed the efforts of young people in protecting their environment and reducing global warming; on the matter of the EMA, as raised by Councillor Currie, he noted that the Council would be required to work within its legal framework.

The Provost then moved to the vote on the motion, as amended:

There is a global climate emergency. The evidence is irrefutable and the science is clear. Warnings have been issued about the damage human beings are causing to the planet and how that damage has accelerated over the past 50 years.

The impacts of climate change are having a serious effect on our communities.

We believe it is not too late for us to turn things around, but to do so requires transformative change and action now.

East Lothian Council therefore resolves to:

Declare a climate emergency that requires urgent action to make all our Council services net zero carbon as soon as practicable and in any case by 2045 and to lobby, support and work with all relevant agencies, partners and communities to fulfil this commitment. East Lothian Council will also commit to work with our communities and partners towards making East Lothian a carbon neutral county

as well as enabling the county to deliver its part of wider national and international commitments.

The motion, as amended, was supported unanimously.

**Decision**

The Council agreed to approve the motion, as amended, as submitted by Councillors Hampshire and Akhtar.

**11. SUBMISSIONS TO THE MEMBERS' LIBRARY, 11 JUNE – 14 AUGUST 2019**

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 the report on Engagement of Low Income Families within Active Schools (Ref: 96/19), Councillor Goodfellow informed Members that, following the East Lothian Poverty Commission report of 2017, children entitled to free school meals would be able to participate the East Lothian Active Schools initiative free of charge. This had resulted in a 30% increase in children participating in such activities across East Lothian, with take-up in the Musselburgh area increasing by 50%. Councillor Goodfellow thanked officers involved in this initiative, which he believed would have a significant impact on those children taking part.

In response to a question from Councillor Goodfellow in relation to the report on the Scottish Government Consultation on Local Connection and Intentionality Provisions in Homelessness Legislation (Ref: 90/19), Douglas Proudfoot, Head of Development, advised that he expected the new legislation to come into effect in November. He noted that the requirement for local connection would be removed; this could have a significant impact on East Lothian, and this point had been reflected within the Council's response to the consultation. He pointed out that there would be further consultation on this particular aspect. He added that a report on the Rapid Rehousing Transition Plan 2019-24 would be presented to Cabinet [in September 2019].

**Decision**

The Council agreed to note the reports submitted to the Members' Library Services between 11 June and 14 August 2019, as listed in Appendix 1 to the report.

Signed .....

Provost John McMillan  
Convener of the Council

DRAFT



# East Lothian Council

2018/19 Annual Audit Report

2



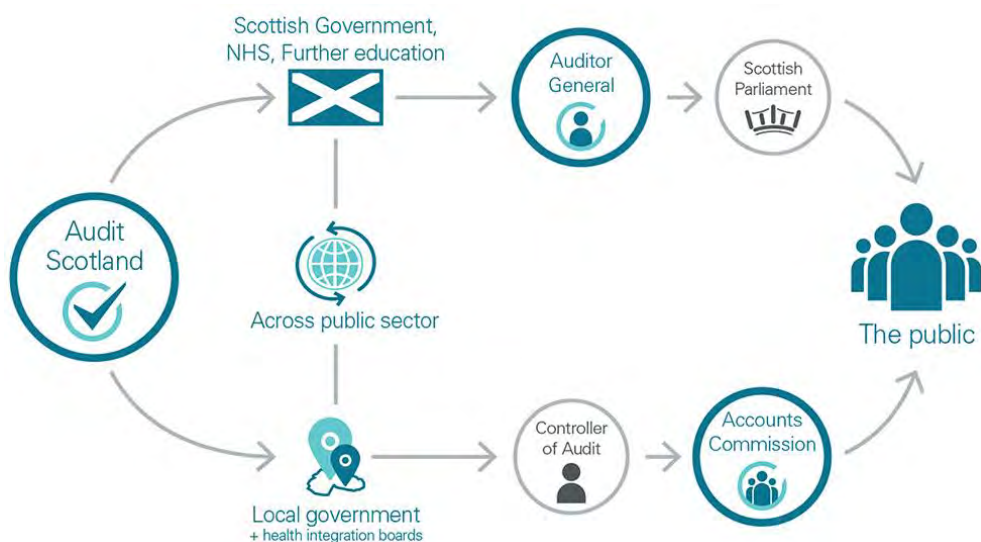
 AUDIT SCOTLAND

Prepared for the Members of East Lothian Council and the Controller of Audit  
17 September 2019

## Who we are

The Auditor General, the Accounts Commission and Audit Scotland work together to deliver public audit in Scotland:

- The Auditor General is an independent crown appointment, made on the recommendation of the Scottish Parliament, to audit the Scottish Government, NHS and other bodies and report to Parliament on their financial health and performance.
- The Accounts Commission is an independent public body appointed by Scottish ministers to hold local government to account. The Controller of Audit is an independent post established by statute, with powers to report directly to the Commission on the audit of local government.
- Audit Scotland is governed by a board, consisting of the Auditor General, the chair of the Accounts Commission, a non-executive board chair, and two non-executive members appointed by the Scottish Commission for Public Audit, a commission of the Scottish Parliament.



## About us

Our vision is to be a world-class audit organisation that improves the use of public money.

Through our work for the Auditor General and the Accounts Commission, we provide independent assurance to the people of Scotland that public money is spent properly and provides value. We aim to achieve this by:

- carrying out relevant and timely audits of the way the public sector manages and spends money
- reporting our findings and conclusions in public
- identifying risks, making clear and relevant recommendations.

---

# Contents

---

Key messages	4
Introduction	6
Part 1 Audit of 2018/19 annual accounts	9
Part 2 Financial management	14
Part 3 Financial sustainability	22
Part 4 Governance and transparency	25
Part 5 Value for money	28
Appendix 1 Action plan 2018/19	33
Appendix 2 Significant audit risks identified during planning	35
Appendix 3 Summary of uncorrected misstatements	39
Appendix 4 Summary of national performance reports 2018/19	40

---

# Key messages

---

## 2018/19 annual accounts

- 1** East Lothian Council and its group financial statements give a true and fair view and were properly prepared.
- 2** The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with relevant regulations and guidance.
- 3** The statement of accounts of the Dr Bruce Charitable Fund section 106 charity administered by the council is free from material misstatement.

## Financial management

- 4** Financial management is effective with a budget process focussed on the council's priorities.
- 5** On the basis of audit work undertaken, we concluded that appropriate and effective internal controls were in place for key financial systems.
- 6** Developer contributions play an increasingly significant role for the fulfilment of the capital expenditure ambitions of the council. Governance arrangements have been put in place to ensure developer contributions are managed in line with the council's capital programme. It will be important to demonstrate that this is all working to plan, as the system matures.

## Financial sustainability

- 7** The council and its group financial position is sustainable in the foreseeable future although rising demand for services will continue to place a strain on the council's capacity to deliver services at the current levels.
- 8** There is a five-year financial strategy that is aligned to the council's priorities and demonstrates how it will address future budget challenges.
- 9** The council has made savings over the past few years. However, the size of the future funding gap and a reliance on non-recurring savings means it will struggle to make the required savings in future years.

## Governance and transparency

- 10** The council's governance arrangements are appropriate, effective and support good governance and accountability.
- 11** The council demonstrates a commitment to openness and transparency in the way it conducts its business.

## Value for money

- 12** A number of activities are underway in response to the Best Value Assurance Report published in November 2018 although several areas are not due for completion until 2020. The council will wish to ensure it can demonstrate the difference they are making in respect of these improvements.

---

# Introduction

---

1. This report summarises the findings arising from the 2018/19 audit of East Lothian Council and its group (the council).

2. The scope of the audit was set out in our 2018/19 Annual Audit Plan presented to the 19 February 2019 meeting of the Audit and Governance Committee. This report comprises the findings from:

- an audit of the annual report and accounts
- consideration of the four audit dimensions that frame the wider scope of public audit set out in the [Code of Audit Practice 2016](#) as illustrated in [Exhibit 1](#).

---

## Exhibit 1 Audit dimensions



Source: *Code of Audit Practice 2016*

---

3. The main elements of our audit work in 2018/19 have been:

- an audit of the council and its group 2018/19 annual report and accounts and the statement of accounts of the Dr Bruce Fund, a section 106 charity administered by the council, including the issue of independent auditor's reports setting out our opinions
- a review of the council's key financial systems
- a follow up of the 2017/18 Best Value Assurance Report

- consideration of the four audit dimensions.

## Added value through the audit

4. We add value to the council through the audit by:

- identifying and providing insight on significant risks, and making clear and relevant recommendations for improvements that have been accepted by management
- reporting our findings and conclusions in public
- sharing intelligence and good practice through our national reports ([Appendix 4](#)) and good practice guides
- providing clear and focused conclusions on the appropriateness, effectiveness and impact of corporate governance, performance management arrangements and financial sustainability.

5. In so doing, we aim to help the council promote improved standards of governance, better management and decision making and more effective use of resources.

## Responsibilities and reporting

6. The council has primary responsibility for ensuring the proper financial stewardship of public funds. This includes preparing annual accounts that are in accordance with proper accounting practices.

7. The council is also responsible for compliance with legislation, and putting arrangements in place for governance, propriety and regularity that enable it to successfully deliver its objectives.

8. Our responsibilities as independent auditor appointed by the Accounts Commission are established by the Local Government in Scotland Act 1973, the [Code of Audit Practice 2016](#) and supplementary guidance, and International Standards on Auditing in the UK.

9. As public sector auditors we give independent opinions on the annual accounts. Additionally, we conclude on:

- the effectiveness of the council's performance management arrangements,
- the suitability and effectiveness of corporate governance arrangements, and financial position,
- the arrangements for securing financial sustainability and,
- best value arrangements.

10. In doing this we aim to support improvement and accountability. Further details of the respective responsibilities of management and the auditor can be found in the [Code of Audit Practice 2016](#).

11. This report raises matters from the audit of the annual accounts and consideration of the audit dimensions. Weaknesses or risks identified are only those which have come to our attention during our normal audit work and may not be all that exist. Communicating these does not absolve management from its

responsibility to address the issues we raise and to maintain adequate systems of control.

**12.** Our annual audit report contains an agreed action plan at [Appendix 1](#) setting out specific recommendations, responsible officers and dates for implementation. It also includes outstanding actions from last year and the steps being taken to implement them.

**13.** We can confirm that we comply with the Financial Reporting Council's Ethical Standard. We can also confirm that we have not undertaken any non-audit related services and the 2018/19 audit fee of £241,440 as set out in our Annual Audit Plan, remains unchanged. We are not aware of any relationships that could compromise our objectivity and independence.

**14.** This report is addressed to both the council and the Controller of Audit and will be published on Audit Scotland's website [www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk) in due course.

**15.** We would like to thank all management and staff for their cooperation and assistance during the audit.



# Part 1

## Audit of 2018/19 annual accounts



### Main judgements

**East Lothian Council (the council) and its group financial statements give a true and fair view and were properly prepared.**

**The audited part of the remuneration report, management commentary and annual governance statement are all consistent with the financial statements and prepared in accordance with relevant regulations and guidance.**

**The statement of accounts of the Dr Bruce Fund section 106 charity administered by the council is free from material misstatement.**

The council and its group annual accounts are the principal means of accounting for the stewardship of resources and performance in the use of resources.

### Audit opinions on the annual accounts

**16.** The annual accounts for the council and its group for the year ended 31 March 2019 were approved by the Audit and Governance Committee on 17 September 2019. We reported, within the independent auditor's report, that the:

- financial statements give a true and fair view and were properly prepared
- the audited part of the remuneration report, management commentary and the annual governance statement were all consistent with the financial statements and properly prepared in accordance with the relevant regulations and guidance.

**17.** We have nothing to report in respect of misstatements in information other than the financial statements, the adequacy of accounting records, the information and explanations we received, or the achievement of prescribed financial objectives.

### Audit opinions on section 106 charity – Dr Bruce Fund

**18.** Due to the interaction of section 106 of the Local Government in Scotland Act 1973 with the charities legislation, a separate independent auditor's report is required for the statement of accounts of each registered charity where members of East Lothian Council are sole trustees, irrespective of the size of the charity. The Dr Bruce Fund is the only charity for which this applies in East Lothian Council.

**19.** We received the Dr Bruce Fund accounts on 19 June 2019, in line with the agreed timetable. There were no adjusted or unadjusted audit differences raised. However, the following issue was noted during the audit which has previously been raised in our 2016/17 and 2017/18 annual audit reports:

- The Dr Bruce Fund was set up to provide relief for the poor of Musselburgh. The Dr Bruce Fund awarded the same two individuals £60 in 2018/19 (2017/18: £60, 2016/17: £50). More could be done by East Lothian Council to promote the trust and its availability to the residents in Musselburgh.



### **Recommendation 1 ([appendix 1, action plan point 1](#)).**

**The council should review the method(s) used to promote this (and other) charitable trusts as part of the wider trust review to ensure that the potential availability of these funds are known to the wider community.**

---

**20.** After completing our audit, we reported in the independent auditor's report that:

- the financial statements give a true and fair view for the Dr Bruce Fund's financial position and are properly prepared in accordance with charities legislation
- the trustees' annual report is consistent with the financial statements and prepared in accordance with proper accounting practices.

### **Submission of the council and its group annual accounts for audit**

**21.** We received the unaudited annual accounts on 19 June 2019 in line with the audit timetable set out in our 2018/19 Annual Audit Plan.

**22.** The working papers provided with the unaudited accounts were of a good standard and finance staff provided good support to the audit team during the audit. This helped ensure that the audit of the annual accounts process ran smoothly.

**23.** In 2018/19 the group accounts were prepared on the basis of unaudited accounts of the subsidiaries and associates; this was also the case in 2017/18. Audited accounts have been received for East Lothian Land Ltd, East Lothian Investments Ltd, Brunton Theatre Trust, Lothian Valuation Joint Board and the East Lothian Integration Joint Board with no changes identified. However, we have yet to receive the audited / updated accounts for Musselburgh Racing Associated Committee (expected sign off is 17 September) and Enjoy East Lothian Ltd (expected sign off is 23 September).

**24.** As previously reported in our 2017/18 annual audit report, the delay in receiving audited accounts from group components impacts on the ability to ensure the most up-to-date audited figures are included in the group accounts and could delay signing the group accounts by the statutory deadline of 30 September.



### **Recommendation 2 ([appendix 1, action plan point 2](#)).**

**The council needs to work with the various subsidiaries and associates to plan and agree a suitable timetable for receipt of audited accounts to ensure all group components are fully signed off by the time the group accounts are to be approved.**

---

## Whole of Government Accounts

**25.** In accordance with the WGA guidance, the council submitted a consolidation pack for the whole of government accounts audit on 24 July 2019 in line with the deadline. We will complete the required assurance statement and submit it to the National Audit Office (NAO) by the 28 September 2019 deadline.

### Risk of material misstatement

**26.** [Appendix 2](#) provides a description of those assessed risks of material misstatement in the annual accounts and any wider audit dimension risks that were identified during the audit planning process. It also summarises the work we have done to gain assurance over the outcome of these risks. We have no issues to report from our work on the risks of material misstatement highlighted in our 2018/19 Annual Audit Plan.

### Materiality

**27.** Misstatements are material if they could reasonably be expected to influence the economic decisions of users taken based on the financial statements. The assessment of what is material is a matter of professional judgement and involves considering both the amount and nature of the misstatement.

**28.** Our initial assessment of materiality for the annual accounts was carried out during the planning phase of the audit and is summarised in [Exhibit 2](#). With regards to the annual accounts, we assess the materiality of uncorrected misstatements both individually and collectively.

**29.** On receipt of the annual accounts we reviewed our planning materiality calculations and concluded that they remained appropriate.

---

## Exhibit 2 Materiality values

Materiality level	Amount
Overall materiality	£4.0 million
Performance materiality	£2.4 million
Reporting threshold	£40,000

Source: Audit Scotland, Annual Audit Plan 2018/19

---

## Significant findings from the audit in accordance with ISA 260

**30.** International Standard on Auditing (UK) 260 requires us to communicate significant findings from the audit to those charged with governance, including our view about the qualitative aspects of the body's accounting practices covering accounting policies, accounting estimates and financial statements disclosures. The significant findings are summarised in [Exhibit 3](#).

### Qualitative aspects of the audit

**31.** We have no significant findings to report around the qualitative aspects of the 2018/19 accounting practices.

## Exhibit 3

### Significant findings from the audit of the financial statements

Issue	Resolution
<p><b>1. IAS 19 actuarial valuation</b></p> <p>The actuarial valuation of the IAS 19 pension liability in the unaudited accounts was revised to take account of the McCloud Supreme Court ruling. As a result, a revised valuation was carried out which resulted in an overall increase to the pension liability of £10.8 million.</p>	<p>The Council obtained a revised actuarial valuation which took into account the Supreme Court's ruling and adjusted the financial statements to reflect the revised pension liability. The impact of the adjustment was to increase the employer's liability by £9.4 million and the guaranteed minimum pension by £1.4 million (£10.8 million in total) with a corresponding increase to the pension reserve.</p>
<p><b>2. Loans fund</b></p> <p>In December 2018 the council undertook a review of the loans fund based on advice from its external treasury advisors. The work was put on hold pending clarification of prevailing statutory regulations and guidance.</p> <p>In June 2019, Audit Scotland confirmed that the existing regulations allow local authorities to vary the period and repayment of pre 2016 loans fund advances if they consider it prudent to do so.</p> <p>A review of the council's loans fund has now been completed and has been applied to the 2018/19 financial year. This has resulted in changes to the repayment period and value of historical and current loans fund advances. The council feels the revised payment profile of the loans fund now more accurately reflects the period and pattern of benefits from their capital investments.</p>	<p>The reprofiling of loans fund repayments has been applied to the 2018/19 financial year. The overall impact has been a reduction in the charges to General Services and the Housing Revenue Account of £3.6 million and £0.1 million respectively.</p> <p>We have reviewed the reasoning and process behind the re-profiling exercise and have concluded that it is prudent.</p>

### How we evaluate misstatements

**32.** In addition to the IAS 19 adjustment included above, adjustments were made to the draft accounts for depreciation (an increase of £1.6 million) and a movement from Health and Social Care Partnership income to People and Resources income (£1.2 million, no net impact on the Comprehensive Income and Expenditure Statement). An adjustment was made to the cash flow statement for PWLB borrowing (£20 million, no impact on cash and cash equivalents at the end of the period). Adjustments were made to the group accounts for common good finance leases and property, plant and equipment additions, the net impact being an increase in assets of £254,000.

**33.** One error above our reporting threshold but below materiality was identified but has not been adjusted in the financial statements. [Appendix 3](#) gives details of the unadjusted error and the impact on the financial statements.

**34.** It is our responsibility to request that all misstatements above the reporting threshold are corrected. The final decision on this lies with those charged with governance considering advice from senior officers and materiality. Management do not propose to adjust for the item above as the amount is not considered material in the context of the financial statements.

## Follow up of prior year recommendations

**35.** The council has made some progress in implementing our prior year audit recommendations. Further improvements could be in the areas of: group accounts, review of trust funds and following the public pound. For those recommendations not yet implemented, revised responses and timescales have been agreed with management and are set out in [Appendix 1](#).

## Integration Joint Board

**36.** The council has included its share of the financial transactions of East Lothian Integration Joint Board (the IJB) within its group financial statements. The IJB is considered a joint venture within the council's accounts. We have completed the audit of the IJB and reported our findings separately to the East Lothian IJB Audit and Risk Committee on 10 September 2019 where the accounts were approved for signing. Assurances were obtained from NHS Lothian and East Lothian council to check the accuracy and completeness of IJB figures included in the accounts. Further commentary on the IJB is provided in [Part 4, paragraph 105](#) of this report.

## Other findings

**37.** Our audit identified several presentational and disclosure issues which were discussed with management. These were adjusted for and reflected in the audited annual accounts.

## Objections

**38.** The Local Authority Accounts (Scotland) Regulations 2014 require a local authority to publish a public notice on its website that includes details of the period for inspecting and objecting to the accounts. This must remain on the website throughout the inspection period. The council complied with the regulations and there were no objections to the 2018/19 unaudited annual accounts.

# Part 2

## Financial management



### Main judgements

**Financial management is effective with a budget process focussed on the council's priorities.**

**On the basis of audit work undertaken, we concluded that appropriate and effective internal controls were in place for the key financial systems we reviewed.**

**Developer contributions play an increasingly significant role for the fulfilment of the capital expenditure ambitions of the council. Governance arrangements have been put in place to ensure developer contributions are managed in line with the council's capital programme. It will be important to demonstrate that this is all working to plan, as the system matures.**

Financial management is about financial capacity, sound budgetary processes and whether the control environment and internal controls are operating effectively

### Financial performance in 2018/19

**39.** The council approved a General Services budget of £237.3 million in February 2018. The budget was aligned to the council's main priorities and vision.

**40.** The 2018/19 end of year financial review presented to council on 25 June 2019 reported an overspend of £1.0 million across all services relative to the approved budget. This includes an IJB underspend for council related activity of £0.3 million which has been transferred to the IJB.

**41.** The overspend across all services has been mitigated by a review of the loans fund and bad debt provisions which resulted in an overall improvement of £3.3 million relative to the council's planned use of reserves. Much of this improvement is non-recurring.

**42.** While the council's spending has remained in line with its overall budget, there are significant variations in how different services have performed. The more significant under and overspends are summarised in [Exhibit 4](#).

## Exhibit 4

### Summary of significant under / overspends against budget

Area	Under / over spend (£m)	Reason for variance
<b>Underspends</b>		
Resources and People Services	£0.867	The introduction of additional pre-school provision within Education Group and lower than anticipated expenditure on school technology (TIC) budget, period poverty and school clothing grants within Support Services.
Partnership and Services for the Community	£0.436	Ongoing savings in staff costs, an increased surplus in the Property Maintenance Trading account, and a number of one-off benefits in Economic Development within Development Services.
<b>Overspends</b>		
Health and Social Care Partnership	£2.34	Increased demand and average costs for residential and secure placements within Children's Services.

Source: East Lothian Council 2018-19 End of Year Financial Review

**43.** The Health and Social Care Partnership (including both Adult and Children services) directorate has overspent against budget in both the current and previous two financial years. Although the overspend has been partially offset by underspends in other services, the council delivered an overspend relative to approved budgets of around £1.0 million in 2018/19.

### Housing revenue account

**44.** The council is required by legislation to maintain a separate housing revenue account (HRA) and to ensure that rents are set to a level which will at least cover the costs of its social housing provision.

**45.** The 2018-19 End of Year Financial Review, presented to full council in June 2019 reported that the HRA delivered an additional surplus of £673,000, over the planned budgeted underspend of £1.7 million.

**46.** During the year, employee costs were lower than budgeted due to a high number of vacancies. Income was higher than anticipated. Benefits also accrued from a lower than anticipated increase in the provision for bad and doubtful debt and lower than budgeted debt charges due to a combination of the wider review of debt charges, and lower than expected loans fund repayments.

**47.** The HRA reserve balance has increased by £0.67 million during the year to £6.07 million at 31 March 2019. This is in line with the council's five-year financial strategy for 2019-24 which has a stated policy of maintaining an HRA reserve balance of at least £1 million, to allow the council to maintain a cushion against any unexpected increase in costs or loss of income, and to protect against the unexpected fluctuations arising from 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 the HRA reserve.

## Reserves

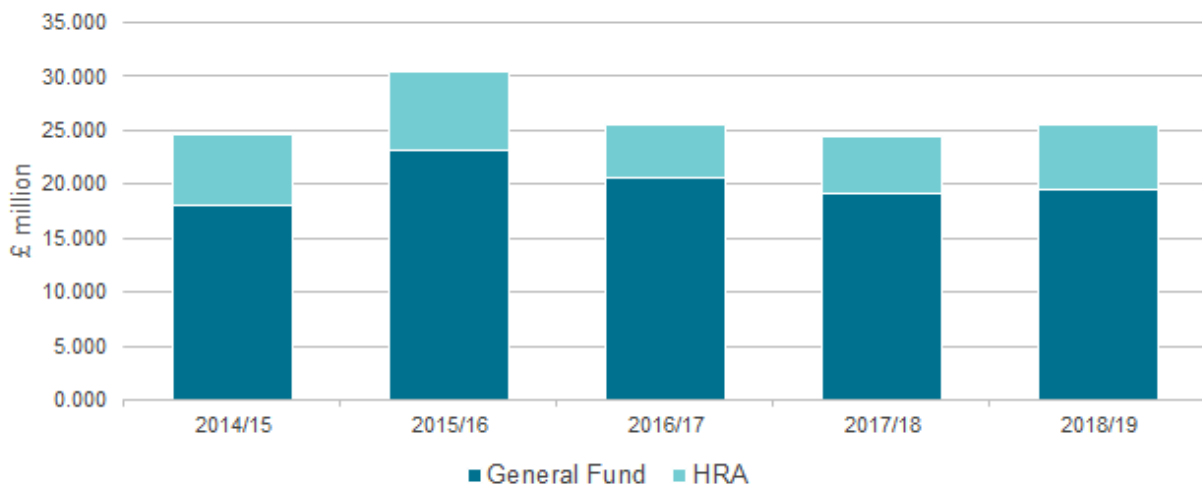
**48.** One of the key measures of the financial health of a local authority is the level of reserves held. The level of usable reserves held by the council increased from £24.4 million in 2017/18 to £25.5 million in 2018/19 as illustrated in [Exhibit 5](#) (£3.2 million more than planned). This was due to a review of the loans fund and a review of bad debt provisions relating to Council Tax and Housing Benefit. However, spending on General Services continues to be higher than total income receivable by around £1 million.

**49.** The general fund is the largest usable reserve. It provides a contingency fund to meet unexpected expenditure and a working balance to help cushion the impact of uneven cash flows.

**50.** The council reviews the level of its uncommitted reserves when setting the budget each year. The council's approved reserves strategy recommends 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 costs (£4.27 million). Taking into account the Civil Emergency Fund (£2 million) and the General Services Capital Fund (£2.28 million), both earmarked, uncommitted reserves, the council currently meets this minimal required level of balance at just over £4.28 million.

---

### Exhibit 5 Analysis of general fund and HRA over last five years



Source: East Lothian Council Audited Annual Accounts (2015/16, 2016/17, 2017/18) and Draft Annual Accounts 2018/19

---

## Efficiency savings

**51.** Efficiency savings are an important means of bridging the gap between funding received and spending commitments especially with the increased demand for services.

**52.** The council is required to submit an annual return to COSLA in respect of recurring / non-recurring efficiency savings. Budget monitoring reports, including risk assessed savings plans, are routinely submitted to council and cabinet.



**53.** The council had planned to secure efficiency savings of £5.017 million in 2018/19. The council achieved actual savings of £4.037 million (80% of the total).

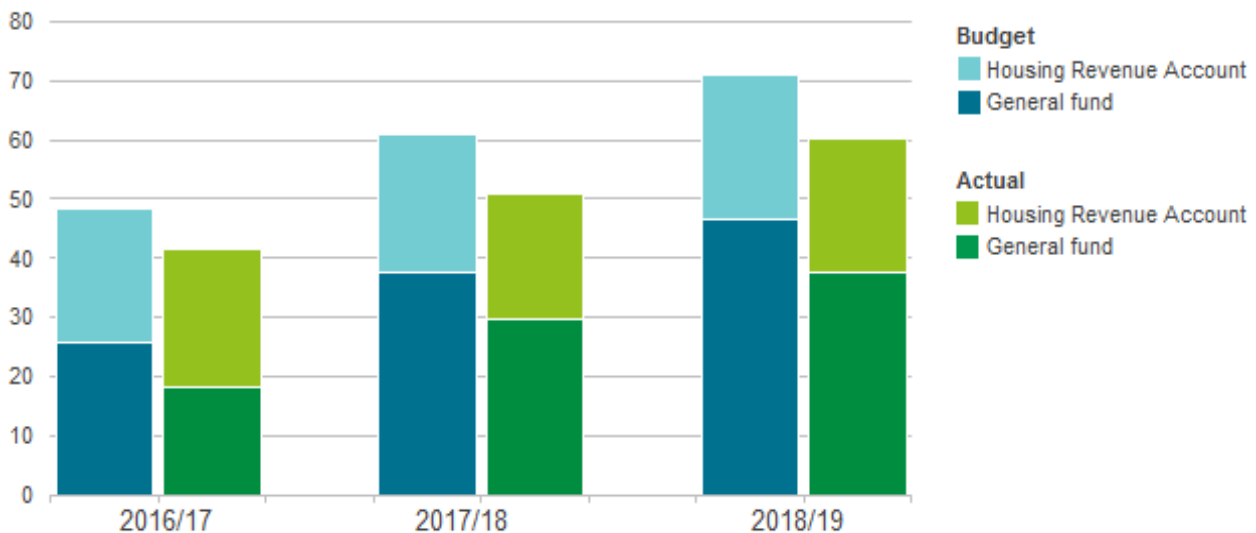
### Capital programme 2018/19

**54.** Total capital expenditure in 2018/19 was £60.1 million of which £37.7 million related to general services and £22.4 million to the housing revenue account (HRA).

**55.** General services capital spend was £8.8 million (18.9%) below budget. The HRA capital spend was £2.0 million (8%) below budget. For the last three years, the council has reported slippage in its capital programme as outlined in [Exhibit 6](#).

## Exhibit 6

### Capital slippage compared to budget (general fund and HRA)



Source: East Lothian Council End of Year Financial Reviews (2016/17, 2017/18 and 2018/19)

**56.** Income was £9.3 million lower than budget for general services, most of which is attributable to the reprofiling of developer contribution income and non-realisation of asset sales.

**57.** For HRA, an additional £3.6 million of Government Grants was received in addition to budget (£2.1 million of which related to the supported purchase of Herdmanflat). Underspends were incurred for the Modernisation Programme and Mortgage to Rent Applications of £1.8 million and £0.8 million respectively. The underspends were offset by an overspend of £0.8 million for New Affordable and Council Housing.

**58.** The council's outstanding loans at 31 March 2019 were £360 million, an increase of £2 million on the previous year. The council made £17.6 million of loan repayments and £20 million of new loans were taken out during the financial year.

**59.** Total external debt, which includes the council's long-term liabilities, was within the authorised limit and operational boundary set by the treasury management

strategy. The current borrowing position is prudent, and the council will continue to consider the affordability of future borrowing.

## Developer contributions

**60.** There is significant growth in East Lothian as set out in the [East Lothian Local Development Plan<sup>1</sup>](#) (LDP). Alongside the LDP, the council has developed supplementary guidance: a [Developer Contribution Framework](#) which sets out the developer contributions required to support the LDP developments. Developer contributions are amounts paid to the council by developers and land owners in order to mitigate the impact of new homes and other buildings which create extra demands on local facilities such as schools and infrastructure. A developer contribution is a legal agreement between the land owner and the local authority and can also be referred to as Section 75 (S.75) agreements.

**61.** In East Lothian developer contributions are required to address the transport, education, community, health care and affordable housing requirements that arise as a result of these developments. For example, the council plans to construct three new primary schools, one new secondary school as well as undertake expansion / improvement works in five secondary schools and extend 17 existing primary schools. This is to accommodate the school roll growth anticipated as a result of the planned developments in the LDP. In addition, a new primary school in Wallyford was completed in during 2018/19 as part of the LDP.

**62.** The council uses the legal agreements to secure the necessary contributions (sometimes in kind) from each developer and the agreement must be signed prior to planning consent being given. A legal agreement would not be required in the event of a developer paying their full developer contribution in advance of the planning consent being issued. We were advised that for cash flow purposes most developers do not opt to pay in full in advance; developers prefer to pay once house sales have commenced. In most cases, developer contributions are received on, or in advance of, the council commencing building work. Developer contributions are recorded in the annual accounts as a long term liability with the amounts received from developers linked to the council's longer term capital financial plan. Amounts are retained until projects are completed.

**63.** In 2018/19 there was a 218% (£25.1 million) increase in developer contributions compared to the prior year. The result is a long term liability (deferred liability) in the accounts of £36.6 million in 2018/19 (2017/18: £11.4 million). This demonstrates the significant increase in growth in the area. The level of developer contributions that was applied to capital expenditure in 2018/19 was £3.17 million (2017/18: £8.18 million).

**64.** There are processes in place within the council to manage developer contributions and a new post was created, a dedicated Planning Obligations Officer responsible for the Section 75 process and ensuring that the infrastructure and facilities, to be provided under planning obligations, are delivered within appropriate timescales. As part of the governance of this area, a Section 75 Group, consisting of senior officers from planning, finance, legal and infrastructure meet monthly. An internal audit was carried out in this area during 2016 and made a number of recommendations for improvement. The audit was followed up in September 2017 and again in May 2018. The Planning Obligations Officer and the Section 75 Group are addressing the remaining actions.

**65.** Developer contributions play an increasingly significant role for the fulfilment of the capital expenditure ambitions of the council. Governance arrangements have been put in place to ensure developer contributions are managed in line with the

**1 The Local Development Plan sets out the strategy and policies for accommodating new developments in East Lothian.**

council's capital programme. It will be important to demonstrate that this is all working to plan, as the system matures.

## Budgetary process

**66.** The [Local Government in Scotland: Financial overview 2017/18](#) (November 2018) highlighted that the need for budgets and forecasts to reflect actual spending becomes increasingly important for councils with decreasing (or low levels) of usable reserves to rely on.

**67.** We noted that the council's budget and savings plan is aligned to the council priorities as set out in its strategic plan. This is consistent with good practice. The council uses scenario planning to calculate estimated funding gaps for the five-year period as part of its 2018-23 financial strategy. Three scenarios were used ranging from best to worst case, based on a limited number of key variables (Revenue Support Grant, pay and non-pay inflation). The most recent financial strategy 2019-2024 has been updated with latest assumptions. The estimated funding gaps for the five-year period range from £6.3 million to £32.8 million (being the worst case scenario).

**68.** Since early 2018, the full council receives revenue and capital monitoring reports and provides detailed scrutiny of financial performance. From our review of these reports and attendance at council meetings we concluded that these reports provide an overall picture of the budget position at service level. The reports include forecast out-turn position for the year and good explanations for significant variances against budget. The reports allow both members and officers to carry out scrutiny of the council's finances.

## Systems of internal control

**69.** As part of our audit we identify and inspect the key internal controls in those accounting systems which we regard as significant to produce the financial statements. Our objective is to gain assurance that the council has systems of recording and processing transactions which provide a sound basis for the preparation of the financial statements.

**70.** Our findings were included in our management letter that was presented to the Audit and Governance Committee on 18 June 2019. We concluded that key controls were appropriate and operating effectively for key financial systems. No significant internal control weaknesses were identified which could affect the council's ability to record, process, summarise and report financial and other relevant data to result in a material misstatement in the financial statements.

## Finance service review

**71.** We raised a risk in our 2018/19 annual audit plan regarding the recent changes to the corporate finance function and the replacement for a head of internal audit. The finance service review / redesign is ongoing and requires to be completed and communicated to staff. These risks have been followed up as part of the annual audit and are concluded in [Appendix 2 \(point 7\)](#).



**Recommendation 3** ([appendix 1, action plan point 3](#)).

**The council needs to conclude the finance service review / redesign to ensure that the service is fit for purpose and meets the needs of council going forward.**

---

## Internal audit

**72.** We reviewed the council's internal audit arrangements in accordance with International Standard on Auditing (UK) 610 (Using the Work of Internal Auditors) to determine the extent we could rely on the work of internal audit. We concluded that we would place reliance on certain elements of internal audit work to support our audit opinion on the financial statements with regards to non-domestic rates and IT access controls. The internal audit reports provided reasonable and moderate assurance respectively. We also considered the internal audit follow up on ALEO arrangements with Enjoy East Lothian Ltd. The follow up internal audit report noted that all recommendations made had been addressed by the council. The 2018/19 internal audit programme was over 90% complete at June 2019 with the remaining three audit reviews due to be reported by September 2019.

**73.** Internal audit reports administratively to the Depute Chief Executive (Resources and People Services) and presents its findings to the Audit and Governance Committee. The former Head of Internal Audit retired at the end of December 2018. There have been attempts to fill the role with the council holding several recruitment exercises during 2018/19, none of which were successful. During this time, the Depute Chief Executive (Resources and People Services) was acting up as the head of internal audit. Through our audit work we are assured that there has been no diminution in compliance with PSIAS, nor non-completion of the annual plan despite this key vacancy in the team.

**74.** We have recently been informed that following on from a further recruitment exercise that the post has now been filled with the successful candidate due to start before by the end of October 2019.

## Standards of conduct for prevention and detection of fraud and error

**75.** The council has a range of established procedures for preventing and detecting fraud and irregularity including a whistleblowing policy, anti-fraud strategy and codes of conduct for members and officers. We assessed these at the planning stage of our audit to ensure that they were appropriate, readily available to staff and are regularly reviewed to ensure they remain relevant and current.

**76.** We concluded that the council has appropriate arrangements in place for the prevention and detection of bribery and corruption. We are not aware of any specific issues we require to bring to your attention.

## ICT controls

**77.** The Public Services Network (PSN) is the UK Government's high-performance network. Public bodies wishing to connect are required to submit a detailed application together with an independent ICT health check. If the submission meets the assessors' standard, then compliance is granted either unconditionally or conditionally with an action plan if the current level is close to meeting the standard. In May 2019, the council successfully retained its PSN certification.

## National Fraud Initiative

**78.** The National Fraud Initiative (NFI) in Scotland is a counter-fraud exercise coordinated by Audit Scotland. It uses computerised techniques to compare information about individuals held by different public bodies, and on different financial systems, to identify 'matches' that might suggest the existence of fraud or irregularity. NFI activity is summarised in [Exhibit 7](#). We reviewed the council's NFI activity in April 2019 and concluded that it was satisfactory.

**79.** The total number of matches identified as part of the 2018/19 NFI exercise is 3,638. As at 30 August 2019, 269 are currently being investigated. A further 236 matches have been investigated and closed with no issues. In addition, seven matches have been closed that had known issues and three matches have been closed which had errors (with recovery of £98,615 all relating to duplicate creditor payments).

---

## Exhibit 7 NFI activity



**3,638**  
**Matches**



**269**  
**Being investigated**



**246**  
**Completed / closed  
investigations**

Source: NFI secure website: [www.nfi.gov.uk](http://www.nfi.gov.uk)

---

**80.** Progress and outcomes of the NFI exercise are reported to the Audit and Governance Committee biennially. Outcomes from the 2016 NFI exercise were reported to the Audit and Governance Committee in February 2018. Internal audit propose to present outcomes of the 2018 exercise to the same committee in January 2020.

# Part 3

## Financial sustainability



### Main judgements

**The council and its group financial position is sustainable in the foreseeable future although rising demand for services will continue to place a strain on the council's capacity to deliver services at the current levels.**

**There is a five-year financial strategy that is aligned to the council's priorities and demonstrates how it will address future budget challenges.**

**The council has made savings over the past few years. However, the size of the future funding gap and a reliance on non-recurring savings means it will struggle to make the required savings in future years.**

Financial sustainability looks forward to the medium and long term to consider whether a body is planning effectively to continue to deliver its services or the way in which they should be delivered.

### Financial planning

**81.** It is important that long-term financial strategies (typically covering five to ten years) are in place which link spending to the council's strategies, and which reflect the impact of future pressures on the council. The Accounts Commission recommended that councils should plan for a range of scenarios, so that they are prepared for different future levels of funding and income.

**82.** The council has a five-year financial strategy in place covering the period 2019/20 to 2023/24. The strategy includes funding gap projections for the five-year period based on scenario planning. Spending plans for the three-year period from 2019/20 to 2021/22 were approved as part of the 2019/20 annual budget process and were used to update the five-year financial strategy, to reflect the latest assumptions. The estimated funding gaps for the five-year period range from £6.3 million to £32.8 million (being the worst case scenario).

### Funding position and savings plans

**83.** In February 2019, council approved a 2019/20 budget for General Services and HRA revenue and capital and outlined the budgets for subsequent years. The General Fund revenue budget was approved over a three-year financial planning period covering 2019/20 to 2021/22. HRA revenue and capital, and General Fund capital, cover the five years until 2023/24.

**84.** The council is facing several challenges in maintaining a sustainable financial position over the medium to long term. These include rising demands for services and the increasing cost of services.

**85.** The council used scenario planning to calculate estimated funding gaps for the five-year period as part of its 2018-23 financial strategy. Three scenarios were used ranging from best to worst case, based on a limited number of key variables (Revenue Support Grant, pay and non-pay inflation).

**86.** The council's report 'Financial Prospects - 2019/20 and Beyond' (October 2018) forecasts funding gaps of £5.6 million and £1.9 million for 2019/20 and 2020/21 respectively. The council plans to bridge these gaps through efficiency savings, without using reserves. The Financial Prospects paper presented various financial scenarios to council, covering the five years to 2023/24 and this has been reflected in the 2019-24 finance strategy (December 2018).

## Changing landscape for public financial management and medium to long term financial planning

**87.** Scottish public finances are fundamentally changing, with significant tax-raising powers, new powers over borrowing and reserves, and responsibility for some social security benefits. This provides the Scottish Parliament with more policy choices but also means that the Scottish budget is subject to greater uncertainty and complexity.

**88.** A new Scottish budget process has been introduced, which is based on a year-round continuous cycle of budget setting, scrutiny and evaluation. As part of the new budget process, the Scottish Government published an initial five-year Medium-Term Financial Strategy (MTFS) in May 2018. The five-year outlook for the Scottish budget, set out in the MTFS, provides useful context for bodies' financial planning. As mentioned above, the council has a five-year financial strategy linked to its capital plans and is addressing the challenges.

## EU Withdrawal

**89.** There remains significant uncertainty surrounding the terms of the UK's withdrawal from the European Union (EU). EU withdrawal will inevitably have implications for devolved government in Scotland and for audited bodies. It is critical that public sector bodies are working to understand, assess and prepare for the impact on their business in three broad areas:

- Workforce – the extent to which potential changes to migration are likely to affect the availability of the people and skills needed to deliver services.
- Funding – the extent to which potential changes to existing EU funding programmes are likely to affect the finances of public bodies and the activity that such funding supports.
- Regulation – the extent to which potential changes to EU regulations are likely to affect the activities of some public bodies.

**90.** The council has flagged the economic uncertainty in relation to Brexit as a challenge within its current Council Plan as follows: *East Lothian's economy will also feel the impact of the decision to leave the EU.* Key sectors of East Lothian's economy –farming, food and drink, and tourism –and Edinburgh's financial and higher education sectors, which employ a significant proportion of East Lothian's population, could be negatively impacted by 'Brexit' through loss of EU subsidies, changes in trade agreements and negative changes in currency values.

**91.** EU withdrawal is included on the council's corporate risk register as a high risk. To mitigate the risk, the council has established a working group to consider the implications of EU withdrawal and is working proactively across the public sector.

**92.** Work is still ongoing to identify the potential impact of any changes at the council. The council should ensure it closely monitors developments and has plans in place to mitigate any emerging operational risks.



# Part 4

## Governance and transparency



### Main Judgements

**The council's governance arrangements are appropriate, effective and support good governance and accountability.**

**The council demonstrates a commitment to openness and transparency in the way it conducts its business.**

Governance and transparency is concerned with the effectiveness of scrutiny and governance arrangements, leadership and decision making and transparent reporting of financial and performance information.

### Governance arrangements

**93.** We review the Council's governance and accountability arrangements annually. This included:

- Confirming that the governance framework and governance arrangements, including decision-making and scrutiny, are regularly reviewed and updated to ensure they remain effective – we found these arrangements to be satisfactory.
- Assessing the effectiveness of decision-making to ensure it is balanced by effective scrutiny and challenge by those independent of the body – we found sound processes in place surrounding decision making and effective scrutiny and challenge by Members during 2018/19.
- Confirming that there is effective scrutiny and challenge in place over policy decisions, service performance, and programme management – we observed through various committee attendance effective scrutiny and challenge.
- Confirming that decision makers have the information they need to scrutinise, challenge and make transparent decisions – we found that decision makers were given appropriate information to make decisions.
- Ensuring that it is clear what decisions have been made, who made them and the rationale supporting those decisions – we found that documentation over decisions and rationale was clear and available.

**94.** Overall, we concluded that the council's governance arrangements are appropriate, effective and support good governance and accountability.

## Openness and transparency

**95.** There is an increasing focus on how public money is used and what is achieved. In that regard, openness and transparency supports understanding and scrutiny. There are increasing public expectations for more openness and transparency as citizens want to understand how public money is used and, to support their participation in local service design and delivery.

**96.** A transparent organisation shows the basis for its decisions and shares information about performance and outcomes, including when targets have and have not been achieved as well as how it is using its resources such as money, people and assets.

**97.** There is evidence from several sources which demonstrate the council's commitment to transparency. Members of the public can attend meetings of the full council, audit and governance committee and other committees. Minutes of these committee meetings and supporting papers are readily available on the council's website.

**98.** The council's website allows the public to access a wide range of information including the register of members' interests, current consultations and surveys and how to make a complaint. In addition, the website provides details of the citizen's panel and how to join it.

**99.** We conclude that East Lothian Council demonstrates a commitment to openness and transparency.

## Transparent reporting of financial performance

**100.** The management commentary that accompanies the financial statements should explain in simple terms and provide clarity to readers in order to help them understand clearly how the council has performed against its budget and how this is reconciled to the financial statements.

**101.** The council have redesigned the look, feel and layout of their 2018/19 annual accounts. The management commentary highlights the key success stories of 2018/19 as well as setting out political structure, decision making processes, the council's financial strategy followed by a summary of outturn against budget (for both revenue and capital). The management commentary also includes a brief summary of the group components' financial performance. The management commentary highlights the council's overspend against the approved budget with a clear explanation of the reason for this.

**102.** Within the section on financial strategy, the management commentary explains the council's spending plans alongside their planned efficiency savings and the efforts underway to deliver those savings.

**103.** Key financial performance indicators are included in the management commentary and there is adequate signposting to the council's annual performance report where the full suite of indicators and performance against them can be found.

**104.** Overall, we conclude that the council demonstrates a commitment to transparency in the way reports publicly on financial performance.

## Integration of health and social care

**105.** The Scottish Government's 2020 vision places greater emphasis on enabling people to stay in their homes, or another homely setting, where possible, sharing

their lives with their family and friends and doing the things that give life meaning and value. The integration of health and social care is a mechanism to achieve this.

**106.** The East Lothian Integration Joint Board (the IJB) is provided in partnership with NHS Lothian and East Lothian Council, and became fully operational on 1 April 2016. The financial transactions of the IJB have been consolidated into the council's group accounts and we have audited these with satisfactory results

**107.** In 2018/19 the IJB reported an underspend of £1.72 million against the original budget (2017/18: the IJB broke even). The underspend is recorded as a useable reserve with £0.69 million earmarked for specific purposes and the remaining £1.07 million is held as a general reserve. The council contributed £45.06 million to the IJB and NHS Lothian contributed £116.53 million for 2018/19. A separate annual audit report for 2018/19 East Lothian IJB was presented to the Audit and Risk Committee on 10 September 2019.

# Part 5

## Value for money



### Main judgements

A number of activities are underway in response to the Best Value Assurance Report published in November 2018 although several areas are not due for completion until 2020. The council will wish to ensure it can demonstrate what difference they are making in respect of these improvements.

Value for money is concerned with using resources effectively and continually improving services.

### Best value

**108.** Best value is assessed over the five-year audit appointment, as part of the annual audit work. In addition, a Best Value Assurance Report (BVAR) for each council will be considered by the Accounts Commission at least once in this five-year period. The BVAR report for East Lothian Council was published in November 2018 and included recommendations for improvement.

**109.** The council's response to the recommendations was presented to the full council in December 2018 and an Improvement Action Plan prepared. A high level progress update was provided to the Audit and Governance Committee in June 2019 as an appendix to the report on Corporate Self Governance Self-Evaluation. We have followed up the council's progress in implementing the recommendations and [Exhibit 8](#) details the recommendations for improvement and a summary of progress to date.

**110.** Overall, the council is progressing a number of activities in response to the Best Value Assurance Report recommendations. Several areas are not due for completion until 2020. We will revisit progress against the recommendations again during the 2019/20 audit. The council will wish to ensure it can demonstrate what difference they are making in respect of these improvements.

### Exhibit 8

#### Progress in implementing the 2017/18 best value recommendations

2017/18 BVAR recommendation	Progress in implementing each recommendation
<p>In delivering its vision, the council should ensure that performance reporting arrangements are more coherent and better aligned to demonstrate the delivery of the</p>	<p>East Lothian completed a thorough review of its approach to continuous improvement in March 2019. This has resulted in improved guidance, emphasising five elements of their spiral model. It has given clearer guidance to services on how to implement the five elements and also reinforced</p>

2017/18 BVAR recommendation	Progress in implementing each recommendation
<b>council's vision, supporting objectives, service performance and savings plans.</b>	direction on a performance evaluation in the spring/summer and a people evaluation in late autumn. There is now a clearer focus on indicators, with the council adopting a top 10 and top 50 indicator set.
Work with the East Lothian Partnership to agree outcome measures and report on progress in reducing inequalities and supporting the economy.	The Partnership has moved forward, identifying in February 2019 the indicators that will be used to report progress. These are organised by the three themes and the report contains baseline figures and targets for most indicators for 2022.
Report the benefits the Transformation Programme projects are having for customers and communities; and the savings that are being realised.	Reporting of the Transformation Programme is done through the senior leadership team who receive regular update reports. This shows the council has split its Transformation Programme into two elements: transformation projects and wider East Lothian council projects. There are 13 transformation projects and four wider East Lothian council projects. The Quarter 1 report is currently being drafted. Internal audit are conducting an audit on benefits realisation as part of their 2019/20 plan.
Continue to focus on improving education performance for all children and young people in East Lothian.	Improving the performance of education is set out as a priority within the revised top 50 council indicators. Since the BVAR was published in 2018, the Education Committee have received a report compiling the findings of the Scottish Government's Insight data (June 2019). This report has a clear focus on improvement actions.
Build on its 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 council carried out an elected member survey followed up with a workshop to discuss the survey findings in August 2019. Less than half of the members accepted the offer of a personal development plan. The survey gave helpful feedback from elected members on how to improve the quality of council reports. A suggestion was to provide a short summary of the main points, within longer reports.
<b>Develop more detailed plans linked to its longer-term financial strategy and to delivering the savings required.</b>	Quarterly monitoring reports include a budget line on transformational savings and areas where other savings will be generated. A 1st quarter report is being prepared and this is to include monitoring against savings.
Ensure the Transformation Programme delivers the expected benefits within the planned timeframe and prioritise the projects most likely to lead to major change	No judgement expressed yet on whether the transformation programme is delivering the expected benefits / savings required. This is ongoing.
Prepare individual service workforce plans to support the high-level Workforce Plan Implementation Plan to help the council consider in	High level workforce plan is now in place. There is a good focus on workforce planning with service managers working on reprofiling the workforce for 2022.

2017/18 BVAR recommendation	Progress in implementing each recommendation
more detail how it will manage changes in services and staffing levels.	In March 2019 the council launched a management and leadership development programme. The council was able to achieve a balanced budget for 2019/20 without any significant cuts to workforce and in fact staff are growing in some areas.
<b>Continue to focus on working with communities</b>	<b>The deadline for this high level recommendation and those below is March 2020 per the council Improvement Plan.</b>
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 due to consult with the third sector on establishing a community charter. A major service review of the new Connected Communities Service is being completed. The council continues to use its consultation hub, where it publicises current consultations reports back the results of formal consultations, so the public can follow what action has been taken as a result of their feedback.
Continue to support Local Area Partnerships to focus on priority actions within their local area plans.	The deadline is March 2020 per the council Improvement Plan.
Coordinate consultation activity through its People's Voice framework and tell local people how it has used their feedback	The council is now routinely providing feedback on major consultations.

## Following the public pound

**111.** Local authorities have a statutory responsibility to comply with the Accounts Commission / COSLA Code of Guidance on funding external bodies and following the public pound.

**112.** The council's financial regulations contain a specific section on following the public pound. These emphasise that services must adhere to the council's guidance for allocating funds to external organisations. The guidance applies where funding is provided, or transferred, to arm's-length bodies such as companies, trusts, voluntary and community-based organisations.

**113.** Formal reporting and monitoring arrangements have been put in place for funding to external bodies, but this is taking time to be fully implemented. We reported in our 2016/17 and 2017/18 annual audit reports that further work could be done to strengthen this area specifically with regards to the significant group components (Enjoy East Lothian Ltd and Musselburgh Racing Associated Committee).

**114.** 2018/19 has seen an improvement on prior years with the 2017/18 annual reports for Enjoy East Lothian Ltd and East Lothian Land Ltd being presented to the Audit and Governance Committee in November 2018 (this is the first available committee following the formal signing of those accounts). At the June 2019 Audit and Risk Committee meeting, a summary of the Musselburgh Racing Associated Committee's performance for 2018/19 was presented with an opportunity for members to query the report. There have been no 2018/19 reports on Enjoy East Lothian Ltd presented during the financial year. This remains an area for ongoing improvement.

## Overview of performance targets

**115.** The council participates in the [Local Government Benchmarking Framework](#) (LGBF). The framework aims to bring together a wide range of information about how all Scottish Councils perform in delivering better services to local communities, including the cost of services and how satisfied citizens are with them.

**116.** The most recent [National Benchmarking Overview Report 2017/18](#) by the Improvement Service was submitted to the Policy and Performance Review Committee (PPRC) in February 2019. The report submitted to the PPRC highlighted the following changes in council performance between 2016/17 and 2017/18:

- 19 indicators (26%) had improved
- 29 indicators (40%) remained roughly static and,
- 24 indicators (33%) declined.

**117.** The PPRC receives quarterly performance reports throughout the year and an annual performance report. These reports monitor progress against the council's key priorities. The most recent report was submitted to the June 2019 PPRC and includes, for the first time, tracking of progress against the Council Plan Top 50 Indicators. The report also highlights key improvements as well as areas to strengthen. We also noted that a briefing for elected members will be held in September 2019 to review proposed KPIs and, if necessary, identify alternative indicators that elected members would like to see included. This is intended to improve the scrutiny of performance and to demonstrate that there is a mechanism for internal scrutiny by members of performance and service outcomes.

## Statutory performance indicators (SPIs)

**118.** The Accounts Commission places great emphasis on councils' responsibility for public performance reporting. The commission does not prescribe how councils should report this information but expects them to provide the public with fair, balanced and engaging performance information.

**119.** For 2018/19 two SPIs were prescribed:

- SPI 1: covering a range of information relating to areas of performance such as improving local public services, improving local outcomes, engaging with communities and achieving best value
- SPI 2: relates to the reporting of performance information as required by the [Local Government Benchmarking Framework](#).

**120.** We have reviewed a number of areas as part of our best value follow-up during 2018/19 in relation to SPI 1. Progress against these areas is noted in [Exhibit 8](#) above.

**121.** For SPI 2, we placed reliance on the work on internal audit. The council's internal auditors selected four Adult Social Care performance indicators to review in 2018/19. The review focused on the Local Government Benchmarking Framework (LGBF) indicators for 2017/18, as published by the Improvement Service. Overall internal audit provided moderate assurance with several areas for improvement which the council are addressing.

## National performance audit reports

**122.** Audit Scotland carries out a national performance audit programme on behalf of the Accounts Commission and the Auditor General for Scotland. During 2018/19, Audit Scotland published a number of reports were issued which are of direct interest to the council. These are outlined in [Appendix 4](#).

**123.** The council has sound arrangements in place for considering national reports. National reports are presented to the Audit and Governance Committee with a thorough covering paper summarising the report and putting it into the East Lothian context. From a review of the papers and attendance at the Audit and Governance Committees during 2018/19, we conclude that these arrangements are effective.



# Appendix 1

## Action plan 2018/19



No.	Issue/risk	Recommendation	Agreed management action/timing
1	<p><b>Dr Bruce Fund / Trust Review</b></p> <p>The Dr Bruce Fund was set up to provide relief for the poor of Musselburgh. The Dr Bruce Fund awarded the same two individuals £60 in 2018/19 (2017/18: £60, 2016/17: £50). More could be done by East Lothian Council to promote the trust and its availability to the residents in Musselburgh.</p> <p><b>Risk</b> – there is a risk that the fund may not be operating the way in which was intended i.e. providing relief for the poor of Musselburgh.</p>	<p>We repeat our recommendation that the Council should review the method(s) used to promote this (and other) charitable trusts as part of the wider trust review to ensure that the potential availability of these funds are known to the wider community (refer <a href="#">paragraph 19</a>).</p>	<p>A wider review of Trusts is on-going. The use of each Trust fund and how these funds can be accessed is being considered as part of that Review.</p> <p>Responsible officer: Chief Operating Officer Finance</p> <p>Agreed date: March 2020</p>
2	<p><b>Group accounts</b></p> <p>The council needs to work with the various subsidiaries and associates to plan and agree a suitable timetable for receipt of audited accounts to ensure all group components are fully signed off by the time the council's accounts are to be approved.</p> <p><b>Risk</b> – There is a risk that the group accounts are not up-to-date and based on incomplete and unaudited information. Delays could impact on the statutory deadline for signing the council's accounts.</p>	<p>We repeat our recommendation that the council should continue to work with the various subsidiaries and associates to plan and agree a suitable timetable for receipt of audited accounts for the group components (refer <a href="#">paragraph 24</a>).</p>	<p>The Council had in place appropriate timescales for Group components for 2018/19 however some delays have been experienced. Work has already been progressing with Group components to set out timescales for 2019/20.</p> <p>Responsible officer: Chief Operating Officer Finance</p> <p>Agreed date: June 2020</p>
3	<p><b>Corporate finance review</b></p> <p>A review of the finance function with a view to redesigning the service was due to take place and be completed during 2018/19. This has yet to be completed.</p>	<p>The council needs to conclude the finance service review / redesign to ensure that the service is fit for purpose and meets the needs of council going forward (refer <a href="#">paragraph 71</a>).</p>	<p>A draft service review has been developed and this will be progressed as a matter of priority.</p>


**No. Issue/risk**

**Risk** – There is a risk that the finance function does not meet the needs of council going forward.


**Recommendation**

**Agreed management action/timing**

Responsible officer: Chief Operating Officer Finance

Agreed date: On-going – by March 2020

# Appendix 2

## Significant audit risks identified during planning

The table below sets out the audit risks we identified during our planning of the audit and how we addressed each risk in arriving at our conclusion. The risks are categorised between those where there is a risk of material misstatement in the annual accounts and those relating our wider responsibility under the [Code of Audit Practice 2016](#).

Audit risk	Assurance procedure	Results and conclusions
<b>Risks of material misstatement in the financial statements</b>		
<p><b>1 Management override of controls</b></p> <p>ISA 240 requires that audit work is planned to consider the risk of fraud, which is presumed to be a significant risk in any audit. This includes consideration of the risk of management override of controls to change the position disclosed in the financial statements.</p>	<p>Detailed testing of journal entries.</p> <p>Review of accounting estimates.</p> <p>Focused testing of accruals and repayments.</p> <p>Evaluation of significant transactions that are outside the normal course of business.</p>	<p><b>Satisfactory</b> – we found no evidence of management override of controls during our normal audit procedures.</p>
<p><b>2 Risk of fraud over income</b></p> <p>ELC receives a significant amount of income from several sources, in addition to Scottish Government Funding, including income from fees and charges. The extent and complexity of income means that, in accordance with ISA240, there is an inherent risk of fraud.</p>	<p>Analytical procedures on income streams.</p> <p>Detailed testing of revenue transactions focusing on the areas of greatest risk.</p>	<p><b>Satisfactory</b> – we found no evidence of this during our normal audit procedures.</p>
<p><b>3 Risk of fraud over expenditure</b></p> <p>The <a href="#">Financial Reporting Council's Practice Note 10 (revised)</a> requires public sector auditors to give consideration to the risk of fraud over expenditure. The extent of expenditure means that that there is an inherent risk of fraud.</p>	<p>Review work on the National Fraud Initiative matches.</p> <p>Assess high level key controls in areas of significant expenditure.</p> <p>Focused substantive testing of expenditure and housing benefit transactions.</p>	<p><b>Satisfactory</b> – we found no evidence of fraud during our audit work.</p>
<p><b>4 Estimates and judgements</b></p> <p>There is a significant degree of subjectivity in the measurement</p>	<p>Completion of 'review of the work of an expert' in</p>	<p><b>Satisfactory</b> – we found estimates and judgements to be appropriate (where applied).</p>

Audit risk	Assurance procedure	Results and conclusions
and valuation of the material account areas of non-current assets and provisions. This subjectivity represents an increased risk of misstatement in the financial statements.	<p>accordance with ISA500 for the professional valuer.</p> <p>Focused substantive testing of asset valuations and asset useful lives.</p> <p>Focused substantive testing of provisions.</p>	

### Risks identified from the auditor's wider responsibility under the Code of Audit Practice

<p><b>5 Financial sustainability</b></p> <p>ELC's 2019-20 to 2023-24 Financial Strategy sets out the estimated level of revenue savings required over the next 5 years.</p> <p>Current approved spending plans require the delivery of over £12.5 million of efficiencies between 2018-19 and 2020-21. In addition to the approved efficiencies, the total estimated revenue savings required over the next 5 years has been calculated based on a number of different scenarios and ranges from £6.3 million to £32.8 million.</p> <p>The Quarter 2 financial report for 2018/19 highlights that £493,000 of the £5 million planned efficiency savings for the year are unlikely to be delivered in 2018/19.</p> <p>As the delivery of the planned 2018/19 savings is proving to be challenging, there is a risk that ELC may not be able to deliver the level of savings required to be financially sustainable in the longer term.</p>	<p>Review the council's progress towards delivery of its transformation and savings plans as part of BVAR follow up work and normal audit procedures.</p>	<p><b>Ongoing</b> - Delivering the transformation programme will be challenging alongside increasing demands on services from a growing population.</p> <p>The council should ensure it continues to regularly review its transformation programme to ensure it can deliver any changes within the timescales continue to prioritise the projects that are most likely to result in major change and opportunities for savings.</p> <p>Audit Scotland will continue to monitor the delivery of this programme in future years.</p>
<p><b>6 Financial management</b></p> <p>The Quarter 2 financial report for 2018/19 identifies three service areas (Adult Wellbeing, Children's Wellbeing and Additional Support for Learning) as high risk of not operating within approved budgets. ELC's financial forecasts for the year indicate that overall there is a high risk it will overspend against its 2018/19 budget, with current</p>	<p>Review of financial monitoring reports and the council's financial position.</p>	<p><b>Satisfactory</b> – at year end the council overspent against its approved budget by £1 million, main area of overspend was Children's Services (within Health and Social Care Partnership directorate).</p> <p>Routine financial monitoring reports are presented to committees flagging the areas of concern; these are scrutinised by members.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>estimates suggesting this could be between £1 and £2 million.</p>		<p>The council recognises the challenges and these are reflected in their financial plans.</p>
<p><b>7 Governance and transparency – Corporate Finance and Internal Audit vacancies</b></p> <p>ELC’s Corporate Finance Manager, with responsibilities in a number of areas including debtors, creditors, banking and treasury management, left in November 2018. The Internal Audit Manager is due to retire at the end of January 2019.</p> <p>ELC is exploring options to address the vacancies in these two key finance posts, in the meantime some additional responsibilities have been taken on by the Service Manager for Business Finance.</p> <p>Until a review of the finance function, and allocation of the Corporate Finance Manager’s responsibilities is completed, there is a risk that management / supervisory controls in these areas may not operate effectively.</p> <p>Until a replacement Internal Audit Manager is in post, there is a risk that the council may not be able to demonstrate full compliance with PSIAS nor fully complete the 2018/19 internal audit plan.</p>	<p>Monitor the arrangements for delivery and completion of the 2018/19 Internal Audit Plan, including filling the post of Internal Audit Manager.</p> <p>Key controls testing of accounts receivable, accounts payable and cash/bank systems</p>	<p><b>Internal Audit - Satisfactory -</b> 2018/19 Internal audit plans completed (with two outstanding reports due to be presented in September 2019). Head of internal audit post was not filled at the time of writing however arrangements are in place. Internal audit complied with PSIAS during the year.</p> <p><b>Corporate Finance – Unsatisfactory -</b> Finance service review / redesign is ongoing and requires to be completed and communicated to staff. A recommendation has been raised in <a href="#">Appendix 1, action plan point 3</a>.</p>
<p><b>8 Value for money – Following the Public Pound</b></p> <p>In our 2017/18 Annual Audit Report, we recommended that ELC’s reporting and monitoring arrangements for significant group components should be revisited, clarified and strengthened to ensure the Council is complying with the duties set out in the Code of Guidance on Funding External Bodies and Following the Public Pound.</p> <p>The council has made some progress since our 2017/18 report, with reports on</p>	<p>Monitor arrangements put in place to report service and financial performance to a committee of the council.</p>	<p><b>Satisfactory and ongoing -</b> 2017/18 annual reports for Enjoy East Lothian Ltd and East Lothian Land Ltd presented to the Audit and Governance Committee in November 2018.</p> <p>Musselburgh Racing Associated Committee’s performance for 2018/19 presented in June 2019 with an opportunity for members to query the report.</p> <p>There have been no reports on Enjoy East Lothian Ltd presented during 2018/19. This remains an area for ongoing improvement the council are working to address.</p>

Audit risk	Assurance procedure	Results and conclusions
<p>Enjoyleisure and East Lothian Land Limited being taken to the November 2018 Audit &amp; Governance Committee. There remains scope for further improvement, including consideration of interests in any significant entities falling out-with the group accounting boundary e.g. Trusts. Reports should also be presented in a more timely fashion.</p>		

---

# Appendix 3

## Summary of uncorrected misstatements

**We report all uncorrected misstatements in the annual report and accounts that are individually greater than our reporting threshold of £40,000 and request they be corrected.**

The table below summarises uncorrected misstatements that were noted during our audit testing and were not corrected in the financial statements. Cumulatively these errors are below our performance materiality level (£2.4 million) as explained in [Exhibit 2](#). We are satisfied that these errors do not have a material impact on the financial statements.

#	Account areas	Comprehensive income and expenditure statement		Balance sheet	
		Dr £000	Cr £000	Dr £000	Cr £000
1	Property, Plant and Equipment			96	
	Creditors				96
	<b>Net impact</b>			<b>96</b>	<b>(96)</b>

Notes:

Entry 1 relates to retentions for land and buildings, and roads that have not been included in the 2018/19 financial statements.

# Appendix 4

## Summary of national performance reports 2018/19

		 <b>2018/19 Reports</b>	
Local government in Scotland: Challenges and performance 2018		<b>Apr</b>	
Councils' use of arm's-length organisations		<b>May</b>	 Scottish Fire and Rescue Service: an update
Scotland's colleges 2018		<b>Jun</b>	
		<b>Jul</b>	 The National Fraud Initiative in Scotland 2016/17
Forth Replacement Crossing		<b>Aug</b>	 Major project and procurement lessons
Children and young people's mental health		<b>Sept</b>	 Superfast broadband for Scotland: further progress update
NHS in Scotland 2018		<b>Oct</b>	
Health and social care integration: update on progress		<b>Nov</b>	 Local government in Scotland: Financial overview 2017/18
		Dec	
		Jan	
		Feb	
		<b>Mar</b>	 Local government in Scotland: Challenges and performance 2019

### Local government relevant reports

[Councils' use of arm's-length organisations](#) – May 2018

[Health and social care integration: update on progress](#) – November 2018

[Local government in Scotland: Financial overview 2017/18](#) – November 2018

[Local government in Scotland: Challenges and performance 2019](#) – March 2019



# East Lothian Council

## 2018/19 Annual Audit Report

If you require this publication in an alternative format and/or language, please contact us to discuss your needs: 0131 625 1500 or [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)

For the latest news, reports and updates, follow us on:



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN  
T: 0131 625 1500 E: [info@audit-scotland.gov.uk](mailto:info@audit-scotland.gov.uk)  
[www.audit-scotland.gov.uk](http://www.audit-scotland.gov.uk)



**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Chief Executive

**SUBJECT:** East Lothian Council's 2019 Annual Performance and 'State of the Council' Report

---

**3**

## **1 PURPOSE**

- 1.1 To provide the Council with East Lothian Council's 2019 Annual Performance and 'State of the Council' Report.

## **2 RECOMMENDATIONS**

- 2.1 That Council approves the 2019 Annual Performance and 'State of the Council' Report.

## **3 BACKGROUND**

- 3.1 The 2017-2022 Council Plan included a commitment that the Council will publish its Annual Public Performance Report in the form of an annual 'State of the Council' report. The 2019 Annual Performance and 'State of the Council' report fulfils this commitment.
- 3.2 The 'State of the Council' part of the report is based on the findings and key messages of the Best Value audit of the Council carried out by Audit Scotland, which was published by the Accounts Commission as the 'Best Value Assessment Report' in November 2018. This is structured around the five key questions that were considered in the Best Value audit:
- Does the council have clear direction?
  - How well is the council performing?
  - Is the council using its resources effectively?
  - Is the council working well with its partners?
  - Is the council demonstrating continuous improvement?

- 3.3 The 2018/19 Annual Performance part of the report is based on analysis of the Top 50 Council Plan indicators that the Council has adopted to provide an overview of whether/how it is achieving the objectives, strategic goals and key commitments set out in the 2017-2022 Council Plan. It is structured around the four objectives of the Plan:
- Growing our Economy
  - Growing our People
  - Growing our Communities
  - Growing our Capacity
- 3.4 The performance report also draws on annual reports and reviews relating to key aspects of the work and priorities of council, including:
- The Economic Development Strategy
  - The 2019 Residents' Survey
  - The Local Government Benchmarking Framework 2017/18
  - The Integration Joint Board's Annual Report
  - Chief Social Work Officer's Annual Report
  - Customer Feedback Annual Report
  - Landlord Report to Tenants 2018/19.
- 3.5 The Report also provides a short summary of the Council's financial performance for 2018/19 as reported in the Council's Annual Accounts.

## **4 POLICY IMPLICATIONS**

- 4.1 The reporting of performance is essential if the Council is to demonstrate continuous improvement and Best Value. Reporting performance also helps the Council to display openness, transparency and accountability. Best Value places a duty upon the Council to report performance to the public in order to enhance accountability.

## **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 Appendix 1: East Lothian Council’s 2019 Annual Performance and ‘State of the Council’ Report

<b>AUTHOR’S NAME</b>	Paolo Vestri
<b>DESIGNATION</b>	Service Manager Corporate Policy & Improvement
<b>CONTACT INFO</b>	pvestri@eastlothian.gov.uk 01620 827320
<b>DATE</b>	21/10/2019



# How Good is Your Council?

## East Lothian Council's 2019 Annual Performance and 'State of the Council' Report

October 2019

# Welcome to East Lothian Council's 2019 Annual Performance and 'State of the Council Report

In June 2017 the Council adopted a new five-year [2017-2022 East Lothian Council Plan](#) that set out how it would strive to achieve the ambitious vision of “*An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.*”

This 2019 Annual Performance and 'State of the Council' Report provides an overview of how East Lothian Council is performing and shows the progress that has been made over the last year in carrying out the commitments made in the 2017-2022 Plan.

We are very pleased that the positive state of the Council was validated by two external assessments carried out by the Accounts Commission, Scotland's spending watchdog, and Quality Scotland, which awarded East Lothian Council a 4-Star Recognised for Excellence award in June in 2018. The Accounts Commission's findings and the Recognised for Excellence award reflect the hard work and commitment of East Lothian Council employee to delivering the improvements to services and reducing inequalities across and within our communities.

We were also very pleased by the results of the latest 2019 East Lothian Residents' Survey, which generally shows a high level of satisfaction with the Council and the services we provide.

[The Best Value Assurance Report](#) published by the Accounts Commission in November 2018 highlighted that East Lothian Council has improved significantly since the last Best Value audit, which was carried out in 2007. This is a very positive report, which highlights that the council has a good record of delivering services in the context of budget constraint and increasing local population. It recognises that governance arrangements, decision-making processes, leadership and scrutiny have all improved and that we are a self-aware council on a journey of continuous improvement with clear plans in place for further improvements. Other key points in the Best Value Assurance report included:

- The pace of improvement has increased in recent years, with education being a particular focus
- The council has planned for population growth, with a well-supported vision
- Financial management is effective with a budget-setting process focused on the council's priorities
- Strong links are in place with partners and the council works well and engages effectively with local communities
- Most local residents are happy with services provided by the council, with high overall satisfaction.



In continuing to strive to deliver the East Lothian vision we recognise that we need to continue the improvement journey. So the council has taken measures to implement the improvements recommended by Quality Scotland and the Best Value Assessment report. One of these is the adoption of a suite of indicators to measure progress in achieving the commitments and outcomes set out in the Council Plan. These 'Top 50 Council Plan Indicators' form the basis of the Annual Performance Report.

The challenges to be met by the council, in particular the financial constraints we face at the same time as our population and the demand for high quality services continue to grow, means that the council needs to transform the way it delivers services. Over the next five years the Council will need to increasingly become:

- **an enabling and empowering** authority that works with its citizens and communities, the business and third sectors and other public sector partners to deliver the solutions that work best for East Lothian
- **a more entrepreneurial authority**, developing new ways of ensuring services are provided in the most effective and efficient way possible
- **a 'digital' authority**, fully embracing and exploiting opportunities to use technology to deliver services.

Perhaps the biggest challenge our society faces is the threat posed by Climate Change. This has been recognised by the Council, which recently declared a Climate Change emergency. Much hard work has already gone in to reducing the Council's carbon footprint in recent years and earlier this year we published a draft Climate Change Strategy. The public response to the draft strategy shows the level of concern East Lothian residents have about Climate Change. The final version of the strategy will be published soon. This will take on board the public's concerns and map out what more the council need to do, but also what more we all individually and collectively could and should do to reduce our carbon emissions and give future generations a better chance.

We look forward to working with our partners and the people and communities of East Lothian to deliver the change that is needed to ensure East Lothian continues on the path to achieve its vision of being *even more prosperous, safe and sustainable, with a dynamic and thriving economy that enables our people and communities to flourish.*

Angela Leitch  
Chief Executive

Willie Innes  
Council Leader

## Contents

	<b>Page</b>
Introduction .....	5
1. The State of the Council 2019 .....	7
2. 2018/19 Annual Performance Report .....	13
3. Growing our Economy .....	21
4. Growing our People .....	26
5. Growing our Communities.....	37
6. Growing our Capacity.....	49

DRAFT

## Introduction

This is the first 'State of the Council' Report covering the period of the [2017-2022 East Lothian Council Plan](#). The Council Plan is based around the ambitious vision of '***an even more prosperous, safe and sustainable East Lothian with a dynamic and thriving economy that will enable our people and communities to flourish.***' The Plan sets out how the Council will strive to achieve this vision with an overarching objective to ***Reduce inequalities within and across our communities*** and four themes:

- ***Growing our Economy*** – to increase sustainable and inclusive economic growth as the basis for a more prosperous East Lothian.
- ***Growing our People*** – to give our children the best start in life and protect vulnerable adults and older people.
- ***Growing our Communities*** – to give people a real say in the decisions that matter most and provide communities with the housing, transport links, community facilities and environment that will allow them to flourish.
- ***Growing our Capacity*** – to deliver excellent services as effectively and efficiently as possible within our limited resources.

The Council has set itself nine strategic goals, which will make the biggest impact in delivering these themes and objectives. These are:

- Reduce unemployment, and improve the employability of East Lothian's workforce.
- Reduce the attainment gap, and raise the attainment and achievement of our children and young people.
- Improve the life chances of the most vulnerable people in our society.
- Extend community engagement and decision making, and increase community and individual resilience.
- Deliver transformational change, and harness the opportunities that technology offers in the provision of services.

In addition, the Council Plan contains around 50 specific commitments and actions that will support the delivery of these objectives and strategic goals.

In the section below we provide a general overview of the 'State of the Council' based on the findings and key messages of the Best Value audit carried out on behalf of the Accounts Commission by the Council's external auditors, Audit Scotland.

Section 2 is the 2018/19 Annual Performance Report, which shows how the council is performing based on its key, strategic performance indicators.

Sections 3 – 6 outline the progress the council is making to deliver the Council Plan's strategic goals and commitments under the four themes – Growing our Economy, Growing our People, Growing our Communities and Growing our Capacity. The final section also provides a brief summary of how the council managed its finances in the 2018/19 financial year.

DRAFT

# 1. The 'State of the Council' 2019

This overview of the 'State of the Council' is based on the findings and key messages of the Best Value audit that was carried out in 2018 by the council's external auditors, Audit Scotland. The Best Value Audit, which was based on an extensive review of documentation on council policies, procedures and performance seeks to provide the Accounts Commission with assurance on how the council is meeting its statutory duty to deliver Best Value in accordance with the Local Government Scotland Act 2003.

This assessment of the 'State of the Council' is based on the key messages and findings which sought to answer the five key questions of [the Best Value Assurance Report](#):

- Does the council have clear direction?
- How well is the council performing?
- Is the council using its resources effectively?
- Is the council working well with its partners?
- Is the council demonstrating continuous improvement?

## *The council has clear strategic direction*

The council has a clear and ambitious vision based on a good understanding of the challenges it faces as well as local needs and issues. The vision has driven the Council Plan and the adoption of the Plan's four themes and strategic goals. The vision and the Plan's themes, strategic goals and objectives are well understood throughout the council and act as a 'Golden Thread' and driving force behind the council strategic plans and service plans. Also, the vision is shared by the council's partners within the East Lothian Partnership and has helped to inform and shape the [East Lothian Plan 2017-27](#), the Partnership's Local Outcome Improvement Plan.

The council is self-aware of its strengths and weaknesses and of the challenges it faces. These are set out in some detail in the [2017-2022 East Lothian Council Plan](#) but can be summarised as follows:

- continuing resource constraints, against a backdrop of increasing demand and rising public expectations about the quality of public services
- East Lothian has experienced the highest percentage rise in population compared to all Scottish councils. Between 1997 and 2017 East Lothian's population increased by 19.5% (the Scottish average was only 6.5%) and it is projected to continue to grow by about 1% a year for the next 20 years
- the implications of the United Kingdom's decision to leave the European Union
- the increasing complexity of service delivery, such as the integration of health and social care, which is fundamentally changing the governance arrangements for significant areas of public service delivery.

Alongside the [2017-2022 East Lothian Council Plan](#), over the last two years the council has adopted strategic plans that set out how it will meet these challenges, including:

- a [5-year Capital Programme](#) that sets out the basis for future investment in infrastructure
- the revised [Economic Development Strategy](#) to drive sustainable economic growth
- the [Local Housing Strategy](#) that will deliver a substantial increase in new affordable housing over the next ten years
- the [Local Transport Strategy](#) that aims to create the transport infrastructure required to meet the needs of our growing population as sustainably as possible
- the delivery plan to provide 1140 hours of early learning and childcare for 3 and 4 year olds and vulnerable 2 year olds
- the [Education Improvement Plan](#) that aims to drive up school exam results of all pupils
- the [Integration Joint Board's Strategic Plan](#) that plans the delivery of the vital services required to meet the ever growing demand for care services for elderly people and the most vulnerable in our society.

### ***The council is performing well***

[The Best Value Assurance Report](#) states that the council's performance compares favourably to other councils in most services and is improving. As is shown in below, the council's performance has improved in many service areas across the four themes both against its own targets and when benchmarked against other Scottish councils. However, the council recognises that there are

some areas where performance has not improved, and further action is required to drive performance improvement across all services.

The Best Value audit found that the council's performance management is thorough, and elected members and officers make good use of reports to evaluate performance. The Best Value audit, as well as the Recognised for Excellence assessment carried out by Quality Scotland, recommended that the council should monitor and report on a core set of strategic indicators that provide a more focussed approach to evaluating performance in achieving the Council Plan's priorities. In response to this recommendation the council has adopted a set of 50 Council Plan indicators (see Section 2 below) which form the basis of the Annual Performance Report and show clearly whether progress is being made in achieving the Council Plan goals and objectives.

The most recent [East Lothian Residents' Survey](#) carried out in June 2019 showed that a large majority of residents are happy with the services the council provides. Overall satisfaction with the council is high, and has remained at a similar level since the previous residents' survey that was carried out in 2017. From 2019, residents' surveys will be carried out every two years to monitor overall satisfaction with council services on a regular basis.

The council's arrangements provide an appropriate and effective framework for members to make and scrutinise decisions and performance. East Lothian Council has two committees that perform the 'scrutiny' function: the Audit and Governance Committee and the Policy and Performance Review Committee. A third scrutiny committee – the Police, Fire and Rescue and Community Safety Scrutiny Committee – focusses on scrutinising the performance of the Police and Fire & Rescue services in East Lothian.

Each Committee receives regular monitoring reports that highlight issues that might need further scrutiny. During 2018/19 the Audit & Governance Committee received around 20 internal audit reports that show the results of investigations conducted by the council's internal auditors, Risk Registers and reports from the council's external auditors.

Over the last year, the Policy & Performance Review Committee received regular reports on the performance of the council as a whole and of specific services including annual reports on Customer Feedback, Planning Performance and Roads Assets and reports on delayed discharge, parking charges, coastal parking charges, the Economic Development Strategy, major events and non-residential social care charges.

## *The council is using its resources effectively*

[The Best Value Assurance Report](#) concluded that the council has a five-year Financial Strategy in place and its budget-setting process focuses on its priorities. It also highlighted that the council manages its finances effectively and has a good track record of delivering services within budget within the context of both reducing real terms Scottish Government revenue support and an increasing population. Whilst there were significant variations in spending against budget in different services, overall the council's spending in 2018/19 remained in line with its revenue budget.

Since December 2017, scrutiny of budget monitoring reports has not been limited to the Cabinet but extended to full Council meetings, thus ensuring greater engagement and opportunity for scrutiny by all councillors. Quarterly financial reports to Council flag up significant over and underspends on budgets, highlight areas of risk and any mitigation measures that have been put in place or are being considered to deal with these risks.

The council's external auditor's [2018/19 Annual Audit Report](#) stated that, "The council and its group financial position is sustainable in the foreseeable future although rising demand for services will continue to place a strain on the council's capacity to deliver services at the current levels." It went on to state that the council's five-year financial strategy "demonstrates how it will address future challenges." It concluded that "The council has made savings over the past few years. However, the size of the future funding gap and a reliance on non-recurring savings means that it will struggle to make the required savings in future years."

The council's 2018/19 capital budget was £8.8m under budget (19%) due to slippage principally arising from delays in major capital schools projects. To help support the growth agenda the council has prepared a Developers' Contribution Framework and is factoring the contributions into its longer term capital financial planning.

The council has a [Workforce Plan](#) with a detailed implementation plan to address 38 actions to deliver the workforce vision of the council being an employer of choice and ensuring that it has the right people with the right knowledge, skills and behaviours deployed appropriately to deliver the Council Plan.



## ***The council is working well with its partners***

The council has strong and positive links with its partners. The East Lothian Partnership is working to a shared vision and there are good relations between partners including NHS Lothian, Police Scotland, Scottish Fire and Rescue Service and the business and third sectors. The Health and Social Care Partnership and the Integration Joint Board are well established and there is good cooperation between the council and NHS Lothian.

The council has well-established methods for consulting with the public and a wide range of consultation routinely takes place. The council has been proactive in consulting and engaging with 'seldom-heard' groups using groups such as the Looker After Champions Board, Community Care Forums and the Youth Parliament.

The council engages effectively with communities – both geographic and communities of interest such as tenants and carers. It has continued to invest in empowering communities and this is beginning to having a positive impact. Six community led Area Partnerships are now well embedded and there are many examples of successful community-led initiatives in all six Areas. The council has put in place a structured approach to the new duties and responsibilities relating to Community Asset Transfer and Participation Requests as set out in the Community Empowerment Act. The council's positive approach to partnership working and community engagement was recognised by Quality Scotland, which awarded it a Good Practice award. The citation for the award stated: *"This organisation clearly has a culture of working in partnership that is deployed right across the organisation."*

## ***The council can demonstrate continuous improvement***

[The Best Value Assurance Report](#) concluded that the council's governance arrangements, leadership and corporate management have significantly improved since the last Best Value Audit of the council was carried out in 2007. The council's decision-making processes have also improved and are clear, open and transparent. The council's external auditors have concluded that "the council's governance arrangements are appropriate and effective and support good governance and accountability."

The council has a well-established [Improvement to Excellence](#) framework that drives continuous improvement across the council through self-evaluation at both council and service level and performance reporting and monitoring. Also the council responds

positively to external scrutiny such as, inspections from national agencies such as the Care inspectorate, Education Scotland and the Scottish Housing Regulator and the 2018 Best Value audit and has proactively engaged with and achieved external assessments such as Investor in People, Investor in Young People and Recognised for Excellence

The council's commitment to continuous improvement is evidenced by its adoption of a [Council Improvement Plan 2018-20](#) which is based on the recommendations made in the Best Value Assurance report and the Recognised for Excellence award assessment findings. By June 2019 all the actions in the Plan had either been completed or were on target for completion by March 2020.

The council has established a Transformation Programme to deliver a range of projects that aim to change the way it delivers services to address the financial and demographic challenges it faces and to meet the objectives of the council becoming a more enabling, entrepreneurial and digital authority.

Whilst the council continues on its improvement and transformation journey it has to continue to provide the essential high quality services that East Lothian's citizens and communities rely on. Over the last year the council has:

- educated just under 14,500 pupils in our improving secondary and primary schools
- provided almost 22,000 hours of care at home each week to vulnerable adults and older people and looked after just over 600 over 65 year olds in care homes
- looked after 234 vulnerable children in care homes, foster care and other care settings
- recycled over 53% of domestic waste from the total of over 50,000 tonnes of waste collected from 6.8m bins
- kept open 139 council buildings including 30 public toilets and 12 libraries
- maintained 276 parks, pitches, play areas and burial grounds, over 920km of roads, and almost 19,000 street lights.

The Council's commitment to the investment required to fund the infrastructure required to meet the needs of the growing population is shown in the five-year capital programme adopted by the Council in February 2018. This allows for record capital investment in schools, roads and other infrastructure funded in large part by 'developer contributions' linked to the new housing developments across East Lothian.

## 2. 2018/19 Annual Performance Report

The Council monitors how well it delivers its services using a range of performance indicators. These indicators are reported to elected members on a quarterly or annual basis. Where relevant, these indicators have targets that help to provide context and assessment of how well the council is performing. Comparisons with other areas in Scotland are also available for many indicators through the Local Government Benchmarking Framework.

Accurate, high quality, timely and comprehensive performance data is essential to the effectiveness of the [Improvement to Excellence](#) Framework. Performance data is generated for a range of purposes, which can be shown as a pyramid of indicators.



The Council adopted a revised Continuous Improvement Framework ([Improvement to Excellence](#)) in March 2019; reflecting the recommendations made in the Vest Value Assessment Report and the Recognised for Excellence assessment. A key part of the new framework was the adoption of a suite of Top 50 Council Plan Indicators as the key indicators that monitor progress in achieving the Council's strategic goals and key commitments. A sub-set of 10 of these indicators was identified to show at a glance how the Council is performing in achieving the Council Plan

[Analysis of the Top 50 indicators](#) shows that of the 45 indicators for which we have up-to-date 2018/19 data<sup>1</sup>:

- thirty (67%) show positive trends from the 2017/18 or 2016/17 baseline and/ or are already at their target {green}
- three (7%) have not improved from their baseline and not made progress towards meeting their target {amber}
- twelve (27%) have declined {red}.

Table 1 (page 15) provides a breakdown of the performance of indicators in each of the four Council Plan themes.

As is shown in Table 2 (page 16) seven of the nine 'Top 10 indicators' for which there is up-to-date data have improved and / or on target, one is amber, one is red.

Sections 3, 4, 5 and 6 of this Annual Report provide further detail and explanation of the indicators along with further details of how the council is striving to achieve the strategic goals and key commitments under each theme.

---

<sup>1</sup> Three indicators are taken from a national report on education performance which is published in November, and two other indicators will not have final validated data until October or November

**Table 1: Top 50 Council Plan Indicators: comparison of 2018/19 performance with 2017/18 or 2016/17 baseline; overall and by theme**

Number and proportion of indicators where:		
Performance has improved or is at or above target	Performance has remained unchanged / may not reach target	Performance has declined
<b>Overall</b>		
<b>30</b>	<b>3</b>	<b>12</b>
<b>67%</b>	<b>7%</b>	<b>27%</b>
<b>Growing our Economy</b>		
<b>9</b>	<b>0</b>	<b>2</b>
<b>82%</b>	<b>0</b>	<b>18%</b>
<b>Growing our People</b>		
<b>7</b>	<b>1</b>	<b>6</b>
<b>50%</b>	<b>7%</b>	<b>43%</b>
<b>Growing our Communities</b>		
<b>7</b>	<b>2</b>	<b>2</b>
<b>64%</b>	<b>18%</b>	<b>18%</b>
<b>Growing our Capacity</b>		
<b>7</b>	<b>0</b>	<b>2</b>
<b>78%</b>	<b>0</b>	<b>22%</b>

**Table 2: Top 10 Council Plan Indicators, September 2019**

	Indicator	Baseline		2018/19	Target 2022
		2016/17	2017/18		
T.1	Job density – proportion of people of working age (16-64) in employment in East Lothian (incl self-employed)	0.55 (2016)	N/A	0.56	0.60
T.2	Business base – number of businesses	3,135 (2016)	N/A	3,180 (2018)	3,300
T.3	% of school leavers attaining 3 or more SCQF at Level six	50.4%	50.4% (S. Av: 50.3%)	Available Nov 2019	S. Average
T.4	The % of young people receiving After Care (for whom a destination is known) who are in a positive destination	N/A	49%	37%	53% (2020)
T.5	% of 65+ with long-term care needs receiving personal care at home	63.5%	63.9%	60.9%	To be determined
T.6	% of citizens who 'Strongly Agree' / 'Tend to Agree' My Council is good at listening to people's views before it makes decisions (excluding Don't Knows)	47% (Feb 2017)	N/A	60% (June 2019)	50% (2021)
T.7	% of citizens who say their neighbourhood is a 'Very Good' / 'Good' place to live	98%	N/A	98%	Maintain levels
T.8	Number of affordable house completions and Open Market Acquisitions (OMAs)	628 (2012-2017)	294 (2017/18)	137 25 OMAs	945 (2018-2023)
T.9	Proportion of non-Direct Debit payments, including school payments, undertaken online (% as at end 31 <sup>st</sup> March)	27.2%	34.73%	51.53%	To be determined
T.10	% of citizens who 'Strongly Agree and 'Tend to Agree' that My Council does the best it can with the money available (excluding Don't Knows)	84% (Feb 2017)	N/A	84% (June 2019)	Maintain level

## The Local Government Benchmarking Framework

The Local Government Benchmarking Framework<sup>2</sup> (LGBF) was developed by the Improvement Service, on behalf of SOLACE (Society of Local Authority Chief Executives). Its core purposes are to help councils to gain greater insight into their performance in order to drive improvement, deliver better outcomes and to strengthen public accountability. This is done through the process of benchmarking and allows councils that are similar to compare performance, and to learn and understand why variances occur.

The latest LGBF data (National Overview Report 2017/18) was released by the Improvement Services on 6th February 2019 with detailed data available on the [MyLocalCouncil](#) online tool. It provides data for East Lothian from 2010/11 to 2017/18, and allows members of the public to compare performance between all 32 Scottish Local Authorities as well as performance within family groups.

The overall assessment of the Improvement Service was that councils have done a very good job in delivering essential services in light of the increasing challenges, such as budget pressures and increased demand for services. However, the report highlights that, whilst up until now, local government has been coping with these pressures it is now starting to show real signs of stress.

The report on [East Lothian Council's LGBF 2017/18](#) indicators showed that of the 72 indicators, 43 relate to the performance of services in delivering outputs and outcomes; 20 relate to the cost of delivering services, and the remaining 9 are indicators of satisfaction with services. As is shown in Table 3 below, overall between 2016/17 and 2017/18 (using a tolerance of + or – 4%), whilst 19 indicators (26%) improved; 29 (40%) remained roughly the same; and 24 (33%) declined. Four of the 20 cost indicators declined (increased costs) whilst 11 improved (lowered costs). Fourteen (from a total of 43) performance indicators declined, eight improved, and 21 showed less than 4% change. Six satisfaction indicators declined by more than 4%.

---

<sup>2</sup> The Local Government Benchmarking Framework covers seven service areas: children's services; corporate services; adult social care; culture and leisure; environmental; housing and economic development. The data is gathered from a number of sources including the Local Finance Return (LFR), Scottish Social Housing Charter, the Scottish Household Survey (SHS) and Skills Development Scotland.

**Table 3: Number of indicators with improved / declined values (>4%) by Type**

<i>Indicator type</i>	<i>Improved Status</i>	<i>No Change Status</i>	<i>Declined</i>
<i>Cost</i>	11	5	4
<i>Performance</i>	8	21	14
<i>Satisfaction</i>		3	6
<b>Grand Total</b>	<b>19</b>	<b>29</b>	<b>24</b>

Data for LGBF satisfaction rates are drawn from the Scottish Household Survey (SHS). It should be noted that there has been a distinct national trend over the last few years in declining satisfaction levels across Scotland, as measured by the SHS, in particular in relation to satisfaction with schools, sports, libraries and museums. The results of the Council's own 2019 Residents' Survey, which is based on a larger sample of East Lothian residents than the SHS, shows higher levels of satisfaction levels across most services. For example, the latest SHS (2018) suggests that 71% of East Lothian residents are satisfied with local schools and only 45% are satisfied with libraries, whereas the 2019 [East Lothian Residents' Survey](#) suggests that 92% are satisfied with schools and 93% are satisfied with libraries.

Comparison of the East Lothian LGBF indicators against the Scottish average shows that 39 (54%) of the indicators are performing better than the Scottish average. However, East Lothian Council's quartile performance when ranking indicators from 1 (highest performance) to 32 (lowest performance) reduced slightly during 2017/18 (see Table 4 below). Overall, 52% of the Council's indicators in 2017/18 were in quartile 1 or 2 compared to 55% in 2016/17, and there was a commensurate increase in indicators in the 3<sup>rd</sup> and 4<sup>th</sup> quartile ranking.



**Table 4: Count of LGBF indicators by quartile and year**

Quartile	2016/17	%	2017/18	%
Quartile 1	17	23 %	15	21 %
Quartile 2	24	32 %	22	31 %
Quartile 3	24	32 %	22	31 %
Quartile 4	10	13 %	13	18 %

The following are some of the LGBF indicators that showed marked improvement in 2017/18.

- % of pupils Gaining 5+ Awards at Level 5 improved from 60% to 64% which is above the Scottish average of 62%.
- The indicators for the costs of Trading Standards and Environmental Health services (per 1,000 population) showed a reduction in costs and were substantially lower than the Scottish average for these services.
- The Street Cleanliness Score improved for the second year running from 91.1% to 94.5%, and is now above the Scottish average and the ranking amongst 32 councils improved from 27<sup>th</sup> to 10<sup>th</sup>. It should also be noted that East Lothian Council continues to have the highest street cleaning satisfaction rate at 82.7% compared to the Scottish average of 69.7%.
- The average time (days) taken to complete non-emergency repairs improved from 12.8 days to 7.2 days and is now just below the Scottish average of 7.5 days.
- Although East Lothian's town vacancy rate increased from 5.6 to 6.1, this is well below the Scottish average of 11.5 and is the second lowest figure across all Scottish local authorities.

The following are some of the indicators that worsened in 2017/18.

- % of Pupils from Deprived Areas Gaining 5+ Awards at Level 5 (SIMD) declined from 35% to 31% (having fallen from 42% to 35% the previous year). The ranking has fallen from 6<sup>th</sup> in 2015/16 to 25<sup>th</sup> in 2017/18. It should be noted that this indicator is based on a very small cohort of pupils (less than 5%) so the data is susceptible to significant fluctuation over time.

- The average Total Tariff score for pupils in SIMD Quintile 5 (least deprived 20%) showed a decline from 1279 to 1176, which is below the Scottish average of 1221. This is the first decline in this indicator since 2011/12 and resulted in a fall in ranking from 6<sup>th</sup> to 16<sup>th</sup>. The average total tariff scores for pupils in SIMD Quintiles 2, 3 and 4 all increased, although there was a small fall in the average score for pupils in Quintile 1. All schools have put in place improvement plans to improve attainment and reduce the attainment gap.
- Support Services as a % of total gross expenditure increased from 5.1% in 2016/17 to 5.8%, against a Scottish average of 4.5%. The council now ranks 28<sup>th</sup> for this indicator. The main reason for the movement in this indicator is that since the creation of the Unified Business Support service the costs of these staff has moved from services to central support services.
- Sickness Absence days per employee (non-teacher) increased from 10.8 to 12.1 and our rank position declined from 13<sup>th</sup> to 24<sup>th</sup>. Following the implementation of a new Managing Attendance policy there may have been an increase in the reporting of absence and the incidence of absence due to mental health issues and flu increased in 2017/18. The Council has increased the focus on health promotion, in particular mental ill health and there was a reduction in staff absence in 2018/19.

Further analysis based on comparing East Lothian Council's performance with that of other local authorities will be carried after publication of the 2018/19 LGBF report in February 2020 to identify areas which may require focussed improvement activity.

### 3. Growing our Economy – to increase sustainable economic growth as the basis for a more prosperous East Lothian

East Lothian's [Economic Development Strategy 2012-2022](#)<sup>3</sup> identified a series of strengths and weaknesses for economic development in East Lothian. Strengths include a diverse business base with some strong factors such as food & drink, tourism, East Lothian's proximity to Edinburgh and its quality of life. Weaknesses consist of a lack of large employers, pockets of socio-economic deprivation, limited availability of land for economic development and poor public transport infrastructure. The Strategy set out two primary goals to address the key issue of the East Lothian economy having proportionally fewer business and jobs than elsewhere in Scotland:

- Increase the number of business in East Lothian with growth potential and create an additional 350 businesses in East Lothian by 2022
- Increase the proportion of East Lothian residents working in and contributing to East Lothian's economy, creating an additional 7,500 jobs in East Lothian by 2022.

A review of the economic development strategy was carried out in 2017/18 and a refreshed strategy with new priorities was presented to, and approved by, the Council and the East Lothian Partnership in November 2018. The refreshed Strategy reflects major strategic opportunities such as those offered by the council's purchase of the former Cockenzie Power Station site in April 2018, the Edinburgh and South East Scotland City Region Deal, and the allocation of substantial economic land within the East Lothian Local Development Plan 2018.

As can be seen below, over the last year, nine of the Top 50 Council Plan indicators relating to the Growing our Economy theme and strategic goals have improved and only two have declined.

---

<sup>3</sup> Delivering the Economic Development Strategy is the responsibility of the East Lothian Partnership's Connected Economy Group, which includes the Council, Scottish Enterprise, Skills Development Scotland, Edinburgh College and representatives of the business sector.

**Table 5: Economic Growth Top 50 Council Plan Indicators**

Strategic Goal/ Outcome	Indicator		Baseline 2016/17	2017/18	2018/19	Target 2022
<b>Reduce Unemployment (SG1)</b>	1. (T.1)	Job density – proportion of people of working age (16-64) in employment in East Lothian (including self-employed) (2016 – 35,000 / 65,000)	0.55 (2016)	N/A	0.56	0.60
	2.	Claimants in receipt of out of work benefits (% of pop aged 16-64)	N/A	2.9% (Mar 2018) (S.av: 2.5%)	2.7% (June 2019) S. av: 3.1%	0.5% below S. average
	3.	Number of businesses accessing (assisted by) support services; including Business Gateway, East Lothian Works, SDI, and SDP	237	350	552	400
<b>Improve the employability of East Lothian's Workforce (SG2)</b>	4.	Number of people participating in EL Works operated or funded employability programmes	520	384	463	400
	5.	% of people that have participated in Council operated/ funded employability programmes who have progressed into employment	21.3% (111 from 520)	19% (67 from 384)	22.7% (105 from 463)	19%
Support the growth of East Lothian's economy	6. (T.2)	Business base – number of businesses	3,135 (2016)	N/A	3,180 (2018)	3,300
	7.	Business Gateway start-ups per 10,000 pop	21.7 (236)	19.55 (210)	19.85 (210)	210
	8.	% of procurement spent on local small/ medium enterprises	23.1%	21%	19%	22%
	9.	Town Centre vacancy rate	5.6%	6.1%	8.4%	5%

Maximise use of land identified for business growth	10.	Land supply immediately available for business growth (sqmt)	55,000	55,000	103,000	155,000 as identified in LDP
Support the faster roll out of Superfast Broadband	11.	% of East Lothian properties with Superfast Broadband (30Mbps - National target)	85%	88%	91%	100%

The two indicators that declined are the ‘% of procurement spent on local small/ medium enterprises’, and the ‘town centre vacancy rate’.

The % of procurement spent on local small/ medium enterprises fell from 21% in 2017/18 to 19% in 2018/19. The overall spend on local businesses remained the same as in the previous year. However the total spend, which included a significant increase in capital expenditure, partly due to the new Wallyford Primary school, increased, which meant that the proportion of spend on local businesses fell. Benchmarking with other similar councils suggests that our performance is in line with these authorities (Midlothian – 18%; Clackmannanshire – 15.5%; East Renfrewshire – 9%). Further work is being undertaken to review the data including identifying companies which may have a base in East Lothian but are headquartered elsewhere so do not show up as ‘local’ businesses. The council is working with Scotland Excel on a procurement improvement strategy.

The town centre vacancy rate (proportion of vacant shops) increased from 6.1% to 8.4%; although this is still below the Scottish average. The increase reflects the difficulties faced by ‘high street’ shops and recent closures of some businesses, which have created vacancies that have not yet been filled.

Progress continues to be made against the two primary goals set for the Economic Development Strategy (see page 21). The Business Count data shows that from 2010 to 2018 the number of businesses in East Lothian has increased from 2,515 to 3,180, and is just 120 short of the 2022 target. The job density figure (proportion of people of working age (16-64) in employment in East Lothian, including self-employed) increased from 0.55 in 2016 to 0.56 in 2018 and is approaching the 2022 target of 0.60.

The indicators show that progress has been made in meeting the Council Plan's two economic development strategic goals: reduce unemployment, and improve the employability of East Lothian's workforce.

Over the last year the council has continued to work with its partners in the Connected Economy Group and local employers to implement the Developing East Lothian's Young Workforce Strategy and Action Plan; maximising opportunities for young people through support for craft and modern apprenticeships, and school work experience within the Council and in local businesses; and, through the continued use of Community Benefit clauses in Council contracts.

East Lothian Works was successful in supporting substantial numbers of unemployed people to participate in employability programmes and in supporting around 1,000 school pupils gain the benefit of work experience placements. In addition, the Council accessed external funding to support local businesses to take on young people with multiple barriers to employment and used existing budgets to create Modern Apprenticeship opportunities within the council. The number of people participating in council operated or funded employability programmes increased from 384 in 2017/18 to 463 in 2018/19, and 105 of these (22.7%) have progressed into employment.

An important measure of the council's support for growing the local economy is the number of jobs created by start ups supported by Business Gateway. In 2018/19, 229 jobs were created by start-up businesses supported through Business Gateway, which was just under the target of 230.

The tourism sector remains one of the county's most important and buoyant sectors. Over the last year the council has supported several important events such as the Senior Open Golf Championship which contributed to visitors numbers staying stable between 2017/18 and 2018/19. The council has continued to work with Visit Scotland and local partners to revise and update the Tourism Action Plan.

Two key commitments in the Council Plan are to '*Maximise the opportunities presented by the City Region Deal, particularly in relation to Innovation and Inclusion, and supporting new jobs and growth at the QMU Innovation Park*' and to '*Maximise the use of land identified for business growth in the Local Development Plan*'. Significant progress has been made on both these commitments over the last year.

Plans for the new settlement at Blindwells and an Innovation Park adjacent to Queen Margaret University (QMU) at Musselburgh are projects supported by the Edinburgh and South East Scotland City Region Deal. Taken together with the re-development of the former Cockenzie Power Station site, these projects are East Lothian's most significant long-term inclusive growth opportunities.

The new town is a unique opportunity for East Lothian to provide a new sub-regional town centre, new strategic and local employment opportunities and a new community hub. An initial phase of development is underway, comprising 1,600 homes and 10 hectares of employment land.

The Council and QMU are working in partnership, to bring forward the development of the Innovation Hub and the wider Edinburgh Innovation Park, which is a strategic project within the Edinburgh and South East Scotland City Region Deal. The Innovation Hub will build on existing expertise already in the University including Dietetics, Nutrition and Biological Sciences. It will support existing and new businesses to access a global market for healthy and functional food. The Innovation Hub will be the catalyst for subsequent phases of the wider Edinburgh Innovation Park, which will provide resources for national and global players who want to access the expertise available and develop new opportunities to drive company growth.

The Council-owned former Cockenzie Power Station Site is defined in National Planning Framework 3 (NPF3) as a National Development for thermal generation and carbon capture and storage. However, consideration is being given to how relaxation of this status could provide for a wider range of land uses that will generate more job opportunities and more sympathetic uses of this iconic site perhaps linked to regional collaboration through the Edinburgh and South East City Region Deal (e.g. Skills and Construction Innovation). The intention is to promote this ambition as a new national development within the Scottish Ministers' National Planning Framework 4 (NPF4) as '*An area of Opportunity and Co-ordinated Action*'. The emerging Vision and Unique Selling Point for this sub-regional area is that it become an '*influential, innovative, healthy and low and zero carbon place*'.

## 4. Growing our People – to give our children the best start in life and protect vulnerable adults and older people

### Giving our Children the Best Start in Life

Improving education through raising the attainment levels (exam qualifications and achievements) of children and young people and reducing the (poverty related) attainment gap are two of the council's strategic goals.

The Top 50 Council Plan indicators include five education related indicators. The three relating to exam results have not yet been updated for 2018/19 as the validated data used to for these indicators is not published until November 2019.

Of the four education related indicators for which up-to-date data is available, two are shown as improving and two are shown as worsening.

- The school exclusion rates per 1,000 pupils has shown a significant improvement from 34.14% in 2017/18 to 16.8% in 2018/19.
- The % of children benefitting from physical education lessons/ activity in school (a measure of how the council is supporting the important objective of reducing child obesity) has remained at the 100% target. Data for the measure of child obesity (% of children in Primary 1 who are overweight or obese) is not yet available.
- The % participation rate for 16-19yr olds, which is a measure of positive destinations for school leavers fell slightly from 94.7% to 94%, although it is still above the Scottish average and only 1% below the target of 95%.
- The % of eligible 3 and 4 year olds accessing 600 hours of early learning and childcare, fell by 1%, from 99% to 98%.



**Table 6: Education Top 50 Council Plan Indicators**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
<b>Reduce the attainment gap (SG3)</b>	12	% of pupils from deprived areas gaining 5+ awards at level 5	35%	31%	Available Nov 2019	S. Average (42%)
<b>Raise the attainment of our children and young people (SG4)</b>	13.	% of school leavers attaining literacy and numeracy at SCQF Level 5 or above	63.2%	61.3%	Available Nov 2019	S. Average (67.1%)
	14. (T.3)	% of school leavers attaining 3 or more SCQF at Level six	50.4%	50.4%	Available Nov 2019	S. Average (50.3%)
	15.	School exclusion rate per 1,000 pupils – Secondary and Primary	35.9	34.14	16.8%	S. Average (26.8)
Meet stretching positive destination targets	16.	% participation rate for 16-19yr olds	93.1%	94.7%	94%	95%
Enable provision of 1140 hours of early learning and childcare for all 3 & 4 yr olds	23.	% of eligible 3 & 4 yr olds accessing 600 hours of early learning and childcare (1140 hours from 2020)	N/A	99%	98%	99%
Take concerted action to tackle obesity in children	24.	% of children in Primary 1 who are overweight or obese using epidemiological ('at risk') and clinical ('critical') measurements	At risk: 22% Critical: 15.6%	N/A	Available Nov 2019	At risk: 18% Critical: 13%
	25.	% of primary school pupils benefitting from at least 2 hours per week of physical education and % of secondary school pupils (S1 to S4) benefitting from two periods of P. E. per week	100%	100%	100%	100%

The 2019 exam results that were announced in August 2019 showed some improvement in overall attainment. Overall, a total of 11,051 awards were certificated for 2,354 candidates across East Lothian's schools, an increase on last year from 10,682 and 2,302. The number of young people in East Lothian achieving A-C grades in National 5 qualifications increased by 3% to 78% and is now in line with the national average of just over 78%. The pass rate in English was 90%, the highest level in 5 years and a 6.8% increase on the 2018 figure (and 4% above the national average). However, pass rates for Maths, which was also an area of focus remained steady from last year at 62%.

Raising educational attainment and achievement for all and reducing the attainment gap at all stages are the key priorities for the Education Service. Our vision and values within East Lothian Council align with the Key Priorities in the National Improvement Framework for Scottish Education 'Achieving Excellence and Equity' (*Scottish Government, January 2016*) and Delivering Excellence and Equity in Scottish Education (*Scottish Government, June 2016*). The [Education Service Local Improvement Plan 2018/19](#) set out three key areas for improvement under Attainment and Achievement to:

- Develop a self-improving system to drive forward improvement and raise attainment
- Improve learning, teaching and assessment
- Close the poverty related attainment gap in the broad general education.

Over the last year, priorities for improvements in education have included:

- Continuing to improve the attainment of Literacy and Numeracy at SCQF Levels 5 and 6
- Improving the attainment of school leavers in breadth and depth measures
- Continuing to improve the attainment outcomes for young people in Scottish index of Multiple Deprivation (SIMD) Quintile 1 (the bottom 20% of areas in relation to socio economic determinants), care experienced and with additional needs at higher levels of qualification (SCQF Levels 5 and 6).

The Education service has also continued to work with the Scottish Government to enable provision of 1140 hours of early learning and childcare for all 3 and 4 year old children, by continuing to support the provision of suitable childcare and early years facilities

such as the Red School in Prestonpans, and continuing to support initiatives such as Support from the Start, and the implementation of the new play strategy, within the context of the Council’s Early Learning and Childcare Strategy.

The growth in East Lothian’s population has necessitated significant capital investment in school buildings – building new schools and extensions to existing secondary and primary schools. The Council’s Capital programme includes commitments totalling around £100m, most of which is being funded through ‘Developer Contributions’ which pay for the additional schools required to accommodate the increase in school age population across the county. 2018 saw the opening of a new Primary School in Wallyford and commencement of building of a new primary school in Letham Mains, Haddington and several school extensions.

### Vulnerable Children

Two of the Top 50 Council Plan indicators relate to our most vulnerable children – Looked After Children. One of these indicators, ‘the % of Looked After Children who feel settled where they live’, showed significant improvement from 72% to 92%. However, the other indicator, ‘the % of young people receiving After Care, for whom a destination is known, who are in a positive destination (i.e. Employment, Training or Education)’, fell from 49% to 37% (27 out of 73 in 2018/19, compared to 34 out of 69 in 2017/18).

**Table 7: Vulnerable Children Top 50 Council Plan Indicators**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
<b>Improve the life chances of the most vulnerable people in our society – vulnerable children (SG5)</b>	17. (T.4)	The % of young people receiving After Care, for whom a destination is known, who are in a positive destination (i.e. Employment, Training or Education)	N/A	49% (34 out of 69)	37% (27 out of 73)	53% (2020)
	18.	% of Looked After Children who feel settled where they live (8-17yr olds)	N/A	72%	92%	85% (2020)

2018/19 was a year of significant change and challenge for Children’s Services. This included a change to senior leadership; the departure of two very experienced managers through retirement, and the decision to re-structure the service and align it formally within an integrated education and children’s service. Within this context, the service faced a continued increase in referrals and in demand to support challenged and challenging young people that it was unable to meet from within its own resources.

Services for children and young people in East Lothian are facing increasing demands. The number of annual referrals to Children’s Services has risen from 1,768 in 2004 to 3,210 by March 2019 (up 9.4% from 2018). The introduction of Universal Credit, a growing population and greater public and multi-agency awareness about child safety and wellbeing have contributed to the increasing workload. Within this context, the rate of Looked After Children continues to be well below the Scottish average and provides evidence of the positive and effective engagement with families.

Table 8 shows the number and status of the 234 children who were ‘Looked After’ by the council as of 31<sup>st</sup> March 2019. This was a decrease of 7 on the total this time last year. Whilst this might appear a positive change, the placement makeup changed considerably mainly in relation to young people in residential care and the use of external residential placements. Although overall, fewer children and young people required to be accommodated in 2018/19 than the previous year, nineteen young people had needs of such significance and challenge that could not be met within East Lothian residential or fostering resources.

**Table 8: Looked After Children as at 31 March 2019**

	<b>Number</b>	<b>Annual Change</b>	<b>Rate per 1,000*</b>	<b>Scotland Rate per 1,000*</b>
<b>Home Supervision</b>	64	-2	3.0	3.7
<b>Foster Care</b>	93	-9	4.4	5.3
<b>Formal Kin Care</b>	39	5	1.8	4.0
<b>Residential Care (including secure accommodation)</b>	38	13	1.8	1.5
<b>Total</b>	<b>234</b>	<b>7</b>	<b>11.0</b>	<b>14.5</b>

## Growing our People – Reducing Poverty

The East Lothian Poverty Commission reported its findings in 2017 to East Lothian Council and the East Lothian Community Planning Partnership. Their report '[Challenging perceptions. Overcoming Poverty](#)' outlined a series of recommendations across nine key areas, which urged the council and its partners to do more to tackle poverty and empower local communities to tackle poverty in their communities. The Council and the East Lothian Partnership fully endorsed the findings and recommendations of the Commission and the Commission's work continues to impact on the work of all partners.

The [East Lothian Plan 2017-27](#) that sets out the strategic actions and direction of work we want to prioritise over the next few years, has been influenced by the Poverty Commission's work. The Partnership's focus is on:

- Reducing inequalities across our area
- Tackling poverty
- Working to prevent problems - and acting quickly when problems start

The [2017-2022 East Lothian Council Plan](#) reflects these themes also and sets a clear commitment to reducing poverty and inequality. The overarching objective of '*reducing inequalities within and across our communities*' that was adopted in 2014 remains the overarching objective of the Council Plan. The Plan's nine strategic goals, including reducing unemployment, reducing the (poverty derived) attainment gap and improving the life of the most vulnerable people in our society, reflect the priority of reducing inequalities.

The Council and East Lothian Partnership have adopted a detailed action plan based on the recommendations of the Poverty Commission and have also agreed a [Child Poverty Action Plan](#) that sets out the actions that council services and the council's partners, principally NHS Lothian, will take to tackle poverty and break the cycle of poverty in East Lothian.

Two of the Council Plan Top 50 indicators are high-level proxies for measuring poverty in East Lothian. They are based on two of the Scottish Government Child Poverty indicators, which were determined and set statutory targets in the Child Poverty (Scotland) Act 2017. As is shown below, both these indicators show very positive trends and suggest that East Lothian is already, lower or

around, the national targets set for 2023. However, it should be noted that the local breakdown of some of the data shows that levels of poverty vary significantly across the county and also within wards, with persistent pockets of high levels of poverty in some areas, sitting next to areas of relative affluence.

The data is based on national data sources and surveys, which may underestimate poverty in East Lothian, especially at a local/ward level. Child poverty can often be hidden as parents strive to do the best they can for their children and also as national data sources and surveys underestimate the impact of factors such as in-work poverty, fuel costs, transport costs and lack of access to vital services, especially in the more rural parts of the county. Further work is being carried out to better understand the national data on poverty and provide reliable local data.

**Table 9: Poverty Top 50 Council Plan Indicators**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
Reduce Inequality/ Poverty	28.	% of children in families with limited resources 'living in a household whose income is less than 70% of median net household income and experiences material deprivation'  (National targets: 8% by 2023; and, 5% by 2030)	N/A	8% (2014-16)	5% (2014-17)	6.5% (2023)
	29.	% of children living in households with less than 60% of median net household income after housing costs  (National targets: less than 18% by 2023; and, less than 10% by 2030)	N/A	18.9% (Sept 2017)	17% (March 2018)	16% (2023)

## Protecting Vulnerable Adults and Older People

Six of the Top 50 Council Plan indicators relate specifically to the strategic goals of improving the life chances of vulnerable adults and older people.

Two of these indicators are shown as being green. These are 'the % of under 65 year olds receiving care under Self Directed Support options 1, 2 and 3', which increased from 65% to 68.6%; and, 'the number of days people spend in hospital when they are ready to be discharged', which fell from over 10,500 to under 8,000.'

The amber indicator is the number of 'emergency unplanned hospital admissions' for which the latest data (6,640 in Q1-Q3 2018/19) suggests that the full year figure may be lower than the 2017/18 figure but will be higher than the full year target of 7,268.

Two of the three indicators that have declined relate to 'the proportion of adult and older people care clients with long-term care needs who are receiving personal care at home' – proxies for the balance of care moving from residential care home settings to people living longer at home. Both these indicators showed a decline in the last year of around 3%. The other indicator that declined is the '% of over 65 year olds receiving care under Self Directed Support Options 1, 2 and 3', which fell from 21% to 18.5%.

Services for adults and older people are provided by the Health and Social Care Partnership (H&SCP), which brings together services previously run by the Council or NHS Lothian. The Partnership is governed by the Integration Joint Board (IJB) with members appointed by the Council and NHS Lothian along with representatives of the trade unions, carers, service-user, third and independent sector.

The East Lothian Integration Joint Board (IJB) published its 2018/19 Annual Performance Report in September 2019. This highlights the H&SCP progress in meeting its strategic objectives and the National Health and Wellbeing Outcomes.

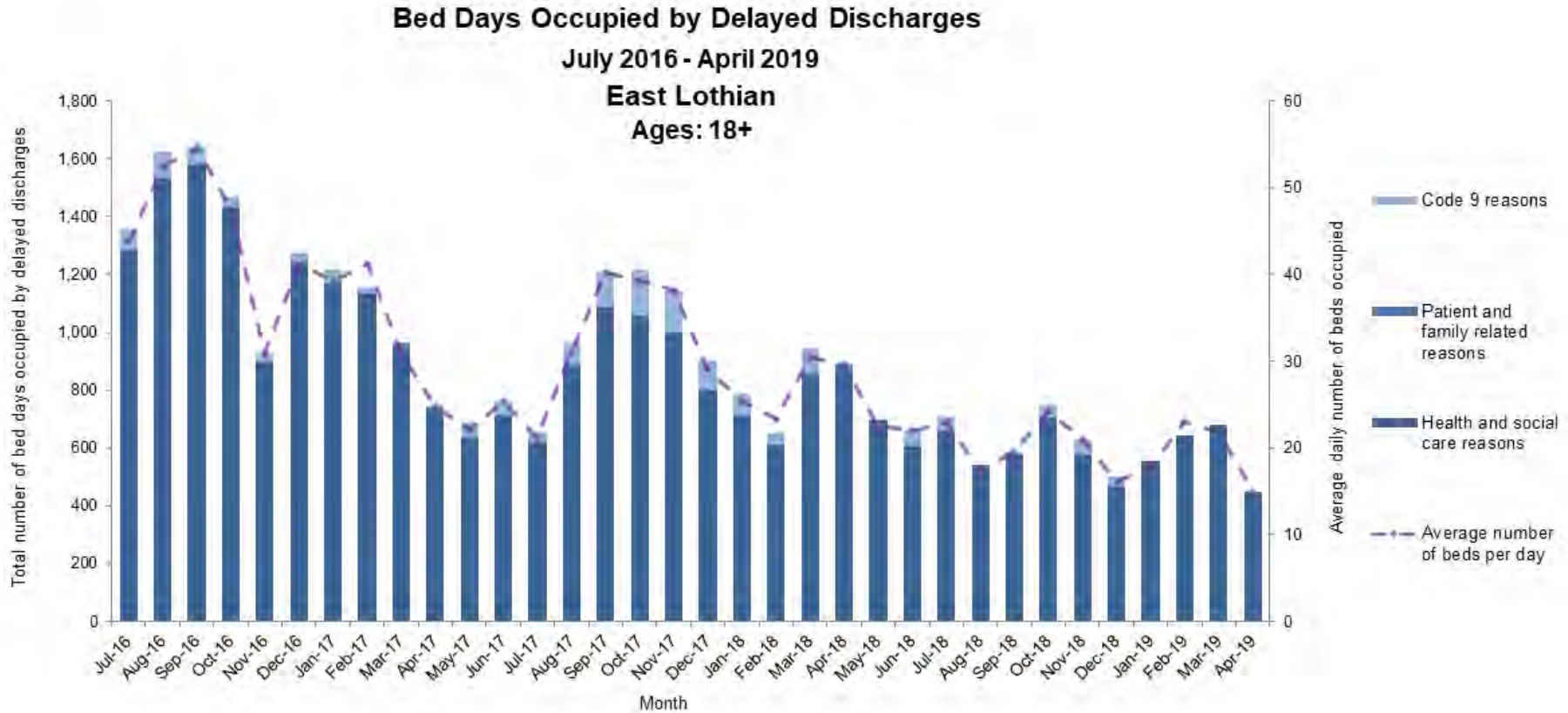
**Table 10: Vulnerable Adults and Older People Top 50 Council Plan Indicators**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target
<b>Improve the life chances of the most vulnerable people in our society – vulnerable adults (SG5)</b>	19.	% of under 65 with long-term care needs receiving personal care at home	N/A	78%	74.64%	Target to be agreed by IJB
	20.	% of all under 65 non-residential service users receiving care under SDS Options 1, 2 and 3	N/A	65%	68.6%	Target to be agreed by IJB
<b>Improve the life chances of the most vulnerable people in our society – older people (SG5)</b>	21. (T.5)	% of 65+ with long-term care needs receiving personal care at home	63.5%	63.9%	60.9%	Target to be agreed by IJB
	22.	% of all 65+ non-residential service users receiving care under SDS Options 1, 2 and 3	N/A	21%	18.5%	Target to be agreed by IJB
Continue to develop services that aim to reduce hospital admissions and delayed discharge of older people	26.	Number of days people spend in hospital when they are ready to be discharged (18+)  The published information by ISD for 2018/19 is provisional as a result of information not being fully verified. As the information is verified, this information will be updated in due course	14,762	10,688 (Target: 9,677)	7,839	7,381 (Proposed 2019/20)
	27.	Emergency/ Unplanned hospital admissions (18+)	7,650	8,242 (Target: 7,268)	6,640 (Q1-Q3 2018-19) Data for Q4 still not complete	7,268 (Proposed 2019/20)



**Living independently at home or in your community**

Progress has been made in reducing unscheduled care and providing care closer to home which has had a positive impact in reducing hospital bed (days) occupied by delayed discharge, as shown in the graph above.



Initiatives that have helped to improve this performance and contributed to the objective of assisting people to live independently at home or in the community included; the Discharge 2Assess team (D2A); the Short Term Assessment and Rehabilitation Team (START); Technology Enabled Care (TEC); and, the Scale-Up BP Project.

### *Maintaining or improving the quality of life*

Self-Directed Support (SDS) is Scotland's mainstream approach to social care. SDS puts the person at the centre of the support planning process. It enables people, carers and families to make informed choices about what their social care support is and how it is delivered. SDS aims to ensure that people who are eligible for support are given the choice and control over how their individual budget is arranged and delivered to meet their agreed health and social care outcomes. In East Lothian, we are making good progress in encouraging people to explore all SDS options.

In January 2019, the H&SCP introduced the SDS pre-payment card, which is a more efficient way of providing service users with their SDS payment. The payment card will mean that SDS recipients will no longer have to make quarterly submissions, and will be able to check their balance online at any time. There will no longer be any need for people to open special bank accounts for Direct Payments, so it will be much quicker to set Direct Payments up. The pre-payment card will be an added incentive for people thinking about or currently using SDS, as it will make finances much easier for service-users to control.

East Lothian H&SCP was one of six Scottish councils to take part in a Care Inspection Thematic Review of the Implementation of SDS in Scotland. The Care Inspectorate visited East Lothian during September 2018 and worked with service-users, carers and staff to establish how well SDS is being implemented in the county. They had some very positive insights to share. They thought that the way that H&SCP supported people to experience positive personal outcomes through the implementation of SDS was good in East Lothian.

Extensive community consultation has taken place throughout 2018 on proposals for the future of services provided at the Belhaven and Edington Community Hospitals and the Abbey and Eskgreen Care Homes. In December 2018, the East Lothian IJB approved the re-provisioning of Belhaven and Edington Community Hospitals and the Abbey and Eskgreen Care Homes through the development of extra care housing or equivalent alternatives and charged the H&SCP with taking this work forward. Early in 2019, HUB South East agreed to work with the H&SCP on developing a business case and work is about to begin with each of the three communities on provision that is tailored to local need.

## 5. Growing our Communities – to give people a real say in decisions that matter most and provide communities with the housing, transport links, community services and environment that will allow them to flourish

This section of this report and the Growing our Communities part of the Council Plan, cover a wide range of council services and areas of activity including community engagement, community resilience, housing, transport, the environment and Climate Change.

Seven of the 12 indicators relating to the Growing our Communities theme have improved, whilst two have remained the same and two have declined. The data for the remaining indicator, which measures the council's carbon emissions, come from a national report that will not be published until after this report has been finalised.

### Community Engagement and Participation

Extending community engagement and decision making is one of the Council Plan's strategic goals. The indicator that provides a proxy measure for this goal is 'the % of citizens who 'Strongly Agree' and 'Tend to Agree' that 'My council is good at listening to people's views before it makes decisions'. The [2019 East Lothian Residents' Survey](#) showed a significant increase in citizens who agreed with this statement from 47% in 2017 to 60% in 2019 (excluding those who responded 'Don't Know'.

**Table 11: Community Engagement Top 50 Council Plan Indicator**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
<b>Extend community engagement and decision making (SG6)</b>	30. (T.6)	% of citizens who 'Strongly Agree' / 'Tend to Agree' My Council is good at listening to people's views before it makes decisions (excluding Don't Knows)	47% (Feb 2017)	N/A	60% (June 2019)	50% (2021)

The Council is committed to ensuring that services are built around people and communities and has developed a range of ways in which to engage effectively with East Lothian's people and communities. The Council recognises the importance of people having a voice and that voice being heard. It has produced a [Guide to Community Participation Opportunities](#) that sets out the many ways in which communities and individuals can engage with the Council; including, participating in Community Councils, Area Partnerships, Tenants and Residents Associations, and the Citizen's Panel, involvement in users and stakeholder groups, and responding via the [Consultation Hub](#) to the many consultation exercises held by the Council and its partners.

The [2019 East Lothian Residents' Survey](#) carried out for the council and the East Lothian Partnership is one of the principle ways in which the views and experience of our citizens is measured on a regular basis. The survey which seeks the views of a representative sample of around 1,600 citizens is to be carried out every two years. The results of the 2019 survey form the basis of data used for some of the Top 50 Council Plan indicators analysed in this report.

[A report](#) summarising the results of the survey, which includes questions on Neighbourhood and Quality of Life, Community Safety, Health and Wellbeing, Perceptions of the Council / Public Services; and Local Priorities, was presented to the August 2018 Council meeting and the [full results](#) were lodged in the council's Members' Library.

The Council also has a Citizens' Panel of around 700 active members, who are invited to complete at least two questionnaires a year. Topics covered in Panel questionnaires have involved transport, community safety, health and wellbeing, recycling and satisfaction with Council services. Panel members have also been invited to get involved in other consultation and engagement activities; for example, Panel members took part in focus groups that looked at the public's appetite for change in how the council delivers service.

The [Consultation Hub](#) featured a wide range of consultation and engagement exercises throughout the year. The results of some of these consultation exercises are summarised the [You Said...We Did](#) section of the hub.

East Lothian's six Area Partnerships have been a ground breaking and successful innovation in devolving decision-making and budget to local communities. The Area Partnerships, which have all agreed Area Plans setting out their local priorities and how they

propose to reduce inequalities in their area, have responsibility for deciding how a total of just under £2m of council funding and resources is spent in their area to support the implementation of their Plans.

The list below, from Haddington & Lammermuir Area Partnership, illustrates the range and breadth of activities, projects and initiatives supported by the Area Partnerships.

- Young people's counselling service
- Haddington Skate Park
- Footpath from Gifford to Sandyford Burn
- Garvald and Haddington Youth Shelters
- Gifford Lunch Club
- Improvements to town lighting
- Athelstaneford Hall refurbishment
- Improved disabled access to local parks and gardens.

The council has also continued to provide support to Community Councils and other community bodies through the Partnership Fund.

In June 2018 the Council published its first [annual report on Participation Requests and Asset Transfer Requests](#) under the Community Empowerment (Scotland) Act 2015. This shows that in the first full year of the duties relating to participation requests and asset transfers the council had not received any formal participation requests. Two asset transfer requests were received, one relating to a piece of land at Lime Grove, North Berwick and the other relating to a building in Dunbar High Street. Both these requests were considered in 2019 and were rejected. The Lime Grove request has been appealed by the applicants.

During 2018, the council took a proactive approach to encouraging asset transfer by offering six under-used community assets up for transfer to their communities. Discussions are ongoing on possible interest in two of these assets.

The council has also started a major review of the use of Common Good Funds and assets to ensure they are aligned with community and council priorities and are used for the maximum benefit of the community they serve. The results of this review will be considered by the council in late 2019/ early 2020.

### **Customer Feedback**

Customer feedback in the form of complaints and compliments is one of the ways in which the Council monitors how it is performing in the eyes of the people that matter most – the users of Council services. The Council complies with the model Complaints Handling Procedure (CHP) for local authorities introduced by the Scottish Public Services Ombudsman (SPSO).

- **Stage 1 (Frontline Resolution)** – Complaint dealt with at point of service within 5 working days
- **Stage 2 (Investigation)** – Complaint investigated; acknowledged within 3 working days and response provided within 20 working days

If complainants remain dissatisfied after completing this process then they have a legal right of appeal to the SPSO.

As is shown in Table 12, below, the [2018/19 Customer Feedback Annual Report](#) reported a significant reduction in the number of complaints received by the council and an increase in compliments and comments.

**Table 12: Comparison of Customer Feedback 2017/18 – 2018/19**

Stage	Complaints		Compliments		Comments	
	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
1	761	634	178	244	79	109
2	161	83	n/a	n/a	n/a	n/a

Of the 634 complaints received in 2018/19, 59% (376) were not upheld, 19% (125) were partially upheld and 13% (83) were upheld. Just under 5% (30) were escalated to Stage 2. The services receiving the highest volume of Stage 1 complaints were: Property Maintenance (171); Waste Services (89); and, Roads Services (55).

Of the 83 Stage 2 complaints received in 2018/19, 64% (53) were not upheld, 28% (23) were partially upheld and only 7% (6) were upheld. The services receiving the most Stage 2 complaints were: Education (31); Property Maintenance (10); and, Planning (7).

The following services received the highest number of compliments from service users: Adult Wellbeing (46); Customer Services (46); and, Property Maintenance (41).

### **Increase community and individual resilience**

One of the Council Plan Strategic Goals is to increase community and individual resilience so that our communities and citizens have a better quality of life and are well placed to deal with concerns and problems that may affect them.

The [2019 East Lothian Residents' Survey](#) showed that three significant indicators of resilience stayed at very high positive levels or improved.

- The % of citizens who said their neighbourhood is a 'Very Good' and 'Good' place to live, remained at the very high level of 98% between the 2017 and 2019 Surveys.
- The % of citizens who said they 'Strongly Agree' and 'Tend to Agree' they can rely on a friend or neighbour to help, increased from 85% in 2017 to 94% in 2019, with a significant increase particularly with those who 'Strongly Agreed' from 51% to 64%.
- The % of citizens who feel 'Vary Safe' and 'Fairly Safe' walking alone in their local area after dark, increased from 85% to 94% between the 2017 and 2019 Surveys.



**Table 13: Community and Individual Resilience Top 50 Council Plan Indicators**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
<b>Increase community and individual resilience (SG7)</b>	31. (T.7)	% of citizens who say their neighbourhood is a 'Very Good' / 'Good' place to live	98% {VG: 74.3% G: 23.6%} (Feb 2017)	N/A	98% {VG: 73.3% G: 24.6%} (June 2019)	Maintain levels
	32.	Proportion of Community Councils with local Community Resilience Plans	10%	25%	40%	75%
	33.	% of citizens who 'Strongly Agree' and 'Tend to Agree' they can rely on a friend/ neighbour to help	91% (Feb 2017)	N/A	92% (June 2017)	Maintain levels
Support initiatives to reduce crime and anti-social behaviour	40.	% of citizens who feel 'Very Safe' and 'Fairly Safe' walking alone in their local area after dark	85% {VS: 51% FS: 34%} (Feb 2017)	N/A	94% {VS: 64% FS: 30%} (June 2019)	Maintain levels
	41.	Number of anti-social behaviour complaints reported to Police Scotland and the Council	N/A	6,850	6,711	7,625 (2018/19) 2% reduction each year

The two other indicators of community and individual resilience are also showing positive trends and should meet their targets.

The council has been working with Community Councils to support the development of Community Resilience Plans, which communities can use to ensure they are better placed to deal with difficult or life-threatening situations such as severe weather incidents. To date, eight Community Councils have adopted, or are in the process of adopting, Community Resilience Plans, and the council's Emergency Planning Officers will continue to work with others to encourage and support them to adopt plans.



Anti-social behaviour can blight the lives of individuals or whole communities and is therefore a good proxy for the quality of life or resilience of our communities. The council and police work very closely to respond to reports of anti-social behaviour and in most serious and persistent cases will take concerted and focused action. The total number of anti-social behaviour incidents reported to the police and the council fell 6,850 in 2017/18 to 6,711 in 2018/19.

## Housing

The Top 50 Council Plan indicators includes three indicators of how the council is meeting its objective of maximising opportunities to increase the supply of affordable housing whilst also improving the quality of service it provides to it over 8,500 tenants.

**Table 14: Housing Top 50 Council Plan Indicators**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
Maximise opportunities to increase the supply of affordable housing	34. (T.8)	Number of affordable house completions and Open Market Acquisitions	628 (2012-2017)	294 (2017/18)	137 + 25 OMAs (2018/19)	945 (2018-2023)
	35.	Average number of days taken to re-let properties	N/A	28.1	39.9	24
	36.	Average time taken to complete non-emergency repairs	12.8	7.2 days	9.0	7.2 days (2018/19)

The indicator of the number of affordable house completions is shown as amber. In 2018/19, the number of affordable house completions, 137, was just below the 2018/19 target of 147 due to a delay in handover of 10 units due to factors not in the council's control. With the start of work on these delayed sites and projected house building starts in the next two years, the five-year (2018-2023) target of 945 should be met.

The two indicators relating to the quality of service provided to tenants showed a downward trend. The average number of days to re-let properties increased from 28.1 days to 39.9 days. Community Housing and Property Maintenance teams have been reviewing the Voids Policy and associated procedures and took measures to reduce the number of long-term voids. The letting of properties

that had been vacant for a long period of time contributed to the increase in the average days to re-let properties in 2018/19. The full implementation of these changes, continued operational improvements and closer scrutiny of voids will see improvements in turnaround time going forward.

The average time taken to complete non-emergency repairs increased from 7.2 days to 9 days. The number of non-emergency repairs increased by 8% (to 19,639) and there staff vacancies and absences that contributed to the reduction in performance. The last quarter of 2018/19 showed improvement in performance, which, if carried forward into 2019/20, will see this indicator reverting back to an underlying norm below the Scottish average. The average time taken to complete the 2,739 emergency repairs carried out in 2018/19 fell to 2.1 days (from 3 days in the previous year).

The Landlord Report to Tenants 2018/19<sup>4</sup> provides further detail and commentary on the council's performance as a housing provider and landlord. The positive achievements highlighted by the report include:

- 20 new build properties delivered and 25 properties acquired through open market acquisitions. The council now owns 8,740 properties
- improvement in in-year rent collection and improved rent arrears performance. In 2018/19 the council collected just over 100% of rent due in-year as it managed to collect some rent arrears from former tenants. The number of former tenants with rent arrears has fallen 539 in 2016/17, 420 in 2017/18 to 312 in 2018/19
- 509 properties let and a reduction in tenancy refusals
- 102 major adaptations were carried out to assist tenants with mobility issues
- 886 homeless households offered temporary accommodation; although meeting the demand from homeless applicants is still to be increasingly challenging for the council.
- The average length of time spent in temporary accommodation, which increased from 192 days in 2016/17 to 216 days in 2017/18 fell back to 189 days in 2018/19.
- 460 new bathrooms and 406 new kitchens were delivered and 129 houses were rewired.

---

<sup>4</sup> This summary of the 2018/19 Landlord Report is based on the draft report. The final report will be published following publication of this report.

The Council carried out extensive consultation with tenants on rent levels and budget plans prior to setting the 2018/19 housing budget. Following the consultation, which supported proposals to increase rents, council house rents were increased in April 2018 by 5%. The additional income is being invested in continuing the modernisation programme.

## Transport

Following an extensive public consultation exercise including public workshops in each of the main towns and an on-line consultation the council adopted a detailed [Local Transport Strategy and associated plans](#) in October 2018.

The Local Transport Strategy has an important role to play in providing for East Lothian as an excellent place to live, work and invest. Growing the county through the Council Plan, the City Region Deal and the Local Development Plan will require the provision of improved and new infrastructure, integrating transport systems, quality and reliable public transport, choice of transport modes and a safer transport network.

The council recognises that the promotion of healthier travel options is key to providing safer, sustainable, low carbon environments and the adoption of the Strategy through the Active Travel Improvement Plan, aligned with the Cycling Action Plan for Scotland and investment for improvements in physical activity enables this.

The Strategy has been developed around five main themes reflected in four action plans:

- Active Travel Improvement Plan (ATIP)
- Parking Management Strategy
- Road Asset management Plan
- Road Safety Plan.

Several changes were made to the draft Strategy following the consultation. For example, in the policy on 'Encouraging Sustainable Travel' the section on Improving Buses was strengthened with the addition of the following sentences. *'In this regard the Council will prioritise limited resources to support the services, which will deliver the greatest benefits. However, it is recognised that*

*accessibility to local facilities, particularly hospitals and amenities can be challenging and the Council will work with partners to provide regular reliable services, where possible.'*

One of the Top 50 Council Plan indicators reflects and monitors the commitment to supporting the provision of bus services that deliver the greatest benefit. In 2018/19 the council was able to continue to support 36 such routes across the county.

**Table 15: Transport Top 50 Council Plan Indicator**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
Better and more effective public transport	37.	Number of bus service routes and timetabled journeys	N/A	36 routes and 2,949 timetabled journeys	36 routes and 2,949 timetabled journeys	Maintain number of routes and journeys

During the consultation on the draft strategy, the option of introducing car parking charges for on-street and off-street parking drew considerable public response. The draft Strategy was amended to include the following statement: *'The Council will assess the demand on town centre parking supply and appraise, where appropriate, the introduction of charging for off-street car parks and/or for on-street parking places. The introduction of restrictions and charging has the potential to boost the financial viability and community/ business prosperity of an area by increasing turnover. All parking regimes would require annual monitoring.'*

Sustainable transport is a key priority for the Transport Strategy. So as well as supporting the development of more active travel links one of the council's priorities over the last year has been to increase the number of Electric Vehicle Charging Points (EVCPs) across the county. In 2017/18 four (EVCP) were installed bringing the total number of council publically available EVCPs to 15. By September 2019 the council, working with Transport Scotland, has increased the number of public EVCPs to 43 across 16 locations<sup>5</sup>.

<sup>5</sup> [Update on EVCPs; report to Cabinet, September 2019](#)

## The Environment and Climate Change

The [2017-2022 East Lothian Council Plan](#) reflected the concern about the environment and the dangers posed by Climate Change. It included a commitment to *'Develop a Sustainable Energy and Climate Action Plan, which will give strategic direction to continuous improvement in relation to energy efficiency, climate adaptation and sustainable transport'*.

It also committed the council to continue to *'Work closely with partners to meet our commitment to Climate Change targets, embedding sustainability principles into decision making and translating them into tangible actions, protecting and enhancing open spaces and habitats.'*

During 2018/19 the council developed a detailed [draft Climate Change Strategy](#) which was issued for public consultation in May 2019. The consultation attracted a very high level of public interest and the comments and suggestions for quicker and further action will be reflected in the final version of the Strategy.

In response to the growing public concern about Climate Change, the August 2019 Council meeting approved the following motion:

*"There is a global climate emergency. The evidence is irrefutable and the science is clear. Warnings have been issued about the damage human beings are causing to the planet and how that damage has accelerated over the past 50 years. The impacts of climate change are having a serious effect on our communities. We believe that it's not too late for us to turn things around but to do so requires transformative change and action now.*

*"East Lothian Council therefore resolves to "Declare a Climate Emergency that requires urgent action to make all our Council Services net Zero Carbon as soon as reasonably practicable or in any case by 2045 and to lobby, support and work with all relevant agencies, partners and communities to fulfil this commitment. East Lothian Council will also commit to work with our communities and partners towards making East Lothian a carbon neutral county as well as enabling the county to deliver its part of wider national and international commitments."*

The [2017-2022 East Lothian Council Plan](#) also includes commitments to support an increase in recycling so that we can meet the recycling national target of 70% by 2025. The number of bins that are collected has continued to grow as the population and number of domestic properties increases, so that in 2018/19 the council collected rubbish from a total of 6.8million bins. The number of visits to our Recycling Centres increased yet again in the last year to over 470,000.

The Top 50 Council Plan indicators include two environment and Climate Change indicators. The data for the indicator, relating to the council’s carbon emissions, comes from a national report that will not be published until after this report has been finalised.

The ‘% of total household waste that is recycled’ is shown as amber, since it did not improve from the 2017/18 figure of 53%. Although this is still above the Scottish average, it did not make any progress towards meeting the national target of 70% by 2025.

The Council is committed through our signature to the Household Recycling Charter, a joint Scottish and Local Government initiative to transform council’s waste management services, to improve recycling collection rates and to ensure the collection of high-quality material for recycling. The Scottish Government has made a subsequent commitment to introduce a Deposit Return Scheme for Scotland, which will impact on the way in which Local Government recycling services are delivered in the future and the council will look to review our service provision in step with national policy developments.

**Table 16: Environment and Climate Change Top 50 Council Plan Indicators**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
Increase waste recycling to meet the 2025 target	38.	% of total household waste that is recycled (national targets)	51.8%	53.1%	53.1%	70% (2025)
Work closely with partners to meet our commitment to Climate Change targets	39	East Lothian Council’s corporate annual carbon emissions (tonnes CO2e)  Note this dataset does not include Fleet data which will be added in future years	17.610 tonnes CO2e (Does not include Fleet data)	17,204 tonnes CO2e (Does not include Fleet data)	Available Nov 2019	To be confirmed in the Climate Change Strategy

## 6. Growing our Capacity – to deliver excellent services as efficiently and effectively as possible

The challenges faced by the council, in particular the financial constraints it faces at the same time as our population and the demand for high quality services continues to grow, means that the council needs to transform the way it delivers services. The [2017-2022 East Lothian Council Plan](#) reflects this priority and states that over the next five years the Council will need to increasingly become:

- **an enabling and empowering** authority that works with its citizens and communities, the business and third sectors and other public sector partners to deliver the solutions that work best for East Lothian
- **a more entrepreneurial authority**, developing new ways of ensuring services are provided in the most effective and efficient way possible
- **a 'digital' authority**, fully embracing and exploiting opportunities to use technology to deliver services.

The [2017-2022 East Lothian Council Plan](#) includes two strategic goals relating to transformational change and several key commitments relating to the efficient and effective use of resources.

### Delivering transformational change and harnessing the opportunities technology offers

The Top 50 Council Plan indicators include three that assess how far the council is progressing with meeting its two transformational change strategic goals. These relate to the development of on-line, digitally enabled services.

- The proportion of non-Direct Debit payments undertaken on line has increased substantially over the last year from just under 35% to 51.5%. This reflects the continued push to provide and promote on-line payment options over the last year.
- The number of on-line form transactions completed on the website has also increased substantially over the last year as more on-line forms to request council services have been made available on the council website. The council is developing a new Online Customer Portal which will begin to be rolled out in early 2020. It is anticipated that as more and more services are

made available through the new portal the number of on-line, as opposed to face-to-face or telephone transactions, will increase significantly in future years.

- The number of care at home clients with Community Alarm, telecare, or stand-alone telecare devices is a key indicator showing the increased utilisation of digital and telecare services that support people living independently at home or in the community. Since this is a new indicator, information is only available for this year.

**Table 17: Transformational Change Top 50 Council Plan Indicators**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
<b><i>Deliver transformational change (SG8)</i></b>	42. (T.9)	Proportion of non-Direct Debit payments, including school payments, undertaken online (at 31 <sup>st</sup> March)	27.2%	34.73%	51.53%	To be determined
<b><i>Harness the opportunities technology offers in the provision of services (SG9)</i></b>	43.	Number of on-line form transactions completed on Council website	N/A	6798 (Apr-Dec 2018)	11,034 (Apr 2018 – Mar 2019)	To be determined
	44.	Number of care at home clients with Community Alarm, telecare or stand alone telecare devices	N/A	N/A	2,715 (Jan 2019)	Target to be agreed by IJB

## Council Finances and Resources

The [2017-2022 East Lothian Council Plan](#) commits the council to take a strategic approach to the its overall financial planning process through implementing the financial strategy to set balanced three-year budgets avoiding the use of reserves by the third year, to maximise revenue funding and to invest in and fund an ambitious, appropriate capital programme. It includes commitments to:



- maintain a rigorous approach to controlling expenditure, ensuring that that it continues to ‘live within its means’ by operating as efficiently as possible to ensure that investment is protected and is focused on key priority areas and protecting frontline services wherever possible
- keep East Lothian’s Council Tax as low as is reasonably possible within the current economic climate and will the Council Tax will only be increased where it can be demonstrated as necessary and provides protection to existing services, or introduces new ones
- adopt a Workforce Plan, incorporating a Workforce Development Plan that will ensure that it has the right people with the right knowledge, skills and behaviours deployed appropriately to deliver the Council Plan
- continue to work in partnership with the trade unions representing Council staff. This will include improving attendance management of employees through the implementation of the Council’s Managing Attendance Policy and continued support for the Healthy Working Lives agenda.

The Top 50 Council Plan indicators include six indicators related to these key commitments. Four of these are shown as green, whilst two are red.

There are two workforce related indicators.

- The % of employees agreeing that the council is a great place to work, fell by 1% from 77.6% in 2017 to 76.7%. The results of the next employee engagement survey (November 2019) will be monitored to see whether the small decline is a long term trend or has been reversed.
- The % of days lost due to absence per full time equivalent employee, improved from 10.57 in 2017/18 to 10.2 in 2018/19.

In June 2018, the Council adopted the [2018-2022 Workforce Plan](#) based on the vision that:

*‘East Lothian Council will be an employer of choice and our staff will:*

- *have the skills, knowledge, experience and motivation to deliver the highest quality services*
- *be flexible and adaptable around our changing organisational needs*

- *be resilient to change and instigate, as well as adapt to, changes in service delivery*
- *be satisfied and engaged and feel safe at work*
- *work in partnership across all services and with the Council's partners and communities to effectively deliver essential services and outcomes*
- *feel valued and recognised for the contribution they make to achieving the Council's vision and objectives*
- *be supported, empowered and trusted*
- *take personal responsibility and ownership to be effective in their jobs.'*

The Plan has three key objectives to:

- Sustain a skilled, flexible and motivated workforce;
- Support and initiate transformational change; and,
- Build and sustain leadership and management development.

In September 2018, a detailed action plan with 45 actions was adopted to deliver the Plan. By September 2019, just under half of the actions have been completed and progress has been made on the remaining actions. The timescales for completion of several actions have been extended but all uncompleted actions are still on schedule for being completed before March 2022.

Four of the Top 50 Council Plan indicators relate specifically to council finances and how the public perceive the council is using its/ their money.

- The % of income due from Council Tax received by the end of 2018/19 was just 0.1% lower than in the previous year and at 96.9% was within 0.1% of the 97% target.
- Gross rent arrears as a % of rent due for the reporting year, fell from 9.3% to 7.7%, reflecting the positive action that has been taken by the council's Revenues and Community Housing Services to reduce rent arrears and support tenants who are now on Universal Credit.

- The % of citizens who ‘Strongly Agree’ and ‘Agree’ with the statement that ‘My Council does the best it can with the money available’ (excluding those who responded ‘Don’t Know’) in the June 2019 Residents’ Survey was 84%, the same as in the 2017 survey.
- The budget out-turn in 2018/19 was an underspend of 1.37%, which was slightly higher than the target of being 1% within budget (further information on the 2018/19 budget outturn is provided below).

**Table 18: Finance and Resource Top 50 Council Plan Indicators**

Strategic Goal/ Outcome		Indicator	Baseline 2016/17	2017/18	2018/19	Target 2022
Adopt a Workforce Plan / improve attendance management (reduce staff absence)	45.	% of employees agreeing that the Council is a great place of work	77.6% (Feb 2017)	N/A	76.7% (Oct 2018) {next survey Oct 2019}	80%
	46.	Days lost due to absence (FTE)	9.74	10.57	10.2	9.5
Maintain the current rigorous approach to controlling expenditure, ensuring that it continues to ‘live within its means’ by operating as efficiently as possible	47.	% of income due from Council Tax received by the end of the year	97.6%	97%	96.9%	97%
	48.	Gross rent arrears ( <i>all tenants</i> ) as at 31 March each year as a percentage of rent due for the reporting year	9.4%	9.3%	7.7%	9%
	49. (T.10)	% of citizens who ‘Strongly Agree and ‘Tend to Agree’ that My Council does the best it can with the money available (excluding Don’t Knows)	84% (Feb 2017)	N/A	84% (June 2019)	Maintain level (2021)
	50.	Budget out-turn within 1% of budget	N/A	0.2% underspend	1.37% underspend	1%

One of the most significant risks faced by the council in 2018/19 was the UK Parliament's decision to take the UK out of the European Union by March 2019. Consequently, the Council established a cross service working group which reviewed the possible implications of 'Brexit' for the Council and East Lothian and put in place various measures to mitigate the impacts. The working group continued to meet through 2019.

### ***Financial Performance for 2018/19 and Financial Outlook***

The [2018/19 Annual Accounts](#) highlight that the council continues to operate within an extremely challenging financial environment, and regular quarterly financial review reported that during 2018/19 have demonstrated the ongoing challenges faced by services. Work has continued with senior managers to mitigate the financial pressures and deliver planned efficiency savings.

The net cost of service provision in 2018/19 was £255.082m, which was £11.875m higher than in 2017/18, predominantly due to an increase in the net retirement benefits. Relative to approved budget plans service expenditure was overspent by around £1m, equivalent to around 0.4%. Within this context, the key financial results for the year ending 31 March 2019 are:

- improvement in overall reserves relative to approved spending plans
- delivered capital investment of around £60m; c.£22m related to spend on the council's housing stock, and c.£38m on General Services including in schools, roads and wider assets to support East Lothian's communities
- delivery of an additional £4m recurring efficiencies; a cumulative total of around £30m since 2012.

The five-year [Financial Strategy 2019-2024](#) approved by the Council in December 2018, outlines the economic and financial context under which the council is operating under, and sets out how it aims to continue to develop sustainable three-year revenue budgets avoiding the use of reserves by year three.

DRAFT

## Contact us to tell us what you think

We always want to hear what the people of East Lothian think about our services. Was this report easy to read? Did it inform you about Council services? Did it allow you to judge out performance? How could we improve the report next year?

If you want to give us feedback on this report or would simply like further information or to make a comment about the Council, email the Policy & Performance Team at:  
**[policy@eastlothian.gov.uk](mailto:policy@eastlothian.gov.uk)**

Versions of this publication are available on request on audiotape, in Braille or in your own language.

Tel: 01620 827199

**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Depute Chief Executive (Resources & People Services)

**SUBJECT:** Financial Review 2019/20 and Financial Prospects

---

**4**

## **1 PURPOSE**

- 1.1 To inform the Council of the financial position at the end of August 2019, and to provide an update on the financial outlook for next five-year financial strategy period 2020/21 to 2024/25. This report also sets out the proposed budget development framework for the three-year period 2020 to 2023.

## **2 RECOMMENDATIONS**

- 2.1 The Council is asked to make recommendations:

- In accordance with Appendix A
  - Note the financial performance at the end of the Period 5 of 2019/20 relative to approved budgets.
  - Agree that the works progress within Musselburgh Grammar School, noting that these are in excess of approved budget levels.
  - Agree the enhanced financial controls for managing the 2019/20 financial position set out in paragraph 1.11 of Appendix A.
- In accordance with Appendix B
  - Note the content of the report including the updated financial prospects covering the financial period 2019/20 to 2023/24;
  - Agree that advance work on budget development for 2020/21 onwards commences in accordance with the potential scenarios outlined within this report; and

- Approve the budget development process set out in Section 1.20 of Appendix B.

### **3 BACKGROUND**

- 3.1 This report brings together an earlier than normal in-year financial position along with an updated commentary on the financial prospects for the Council going forward. The report is structured with 2 separate appendices:
- Appendix A – sets out the in-year financial position. The Period 6 financial ledgers are not due to close until middle of October and typically the Q2, mid-year performance would not be reported until December Council. However, as suggested in August Council meeting when reporting Q1 financial performance, that if the Council continued to show a significant risk of overspending, an early Period 5 position would be reported.
  - Appendix B – sets out the financial prospects for the Council for the five-year period until 2024-25 including high level forecasts for the Council based on scenario based financial modelling. This part of the report also sets out the proposed budget development process for the three year period 2020-23.

### **4 POLICY IMPLICATIONS**

- 4.1 There are no direct policy implications associated with this report although 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 change in policy direction, there is no requirement to undertake any further impact assessment.

### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – as described above and in the supporting appendices
- 6.2 Personnel - none
- 6.3 Other – none



## **7 BACKGROUND PAPERS**

- 7.1 Council 11 December 2018 – Item 5 – Financial Strategy 2019-24
- 7.2 Council 12 February 2019 – Item 2 – Administration Amendment General Services budget proposals
- 7.3 Council 12 February 2019 – Item 3 – Administration Amendment Rent Proposals
- 7.4 Council 27 August 2019 – Item 5 – 2019/20 Quarter 1 Finance Review

<b>AUTHOR'S NAME</b>	Jim Lamond
<b>DESIGNATION</b>	Head of Council Resources
<b>CONTACT INFO</b>	jlamond@eastlothian.gov.uk
<b>DATE</b>	17 October 2019



## Appendix A – 2019/20 Period 5 Financial Review

### General Services Summary – Period 5

- 1.1 This part of the report sets out the financial position for the Council as at the end of August 2019 against the approved budgets. An analysis of the financial position across service groups is set out in Appendix 1 with further detail summarised below. **The summary financial position reported for the Council as at the end of August 2019 shows a significant overspend of £1.749 million (4.2%).**
- 1.2 In accordance with normal practice, 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. Currently two service areas (Children’s and ASL) are categorised as High Risk in line with the financial risk rating set out in Appendix 2 of this report. This assessment suggests a high degree of certainty that these budgets will not operate within approved financial limits and respective Heads of Service are considering appropriate control measures that will help reduce spending levels.
- 1.3 A growing number of service areas have now been categorised as Medium Risk, indicating significant potential for overspending in year. It is reasonable to conclude that such increased risk levels across an increasing number of service areas is a clear indication that services are struggling more than ever to deliver existing service levels within available resources. We will continue to work closely with all service areas in an attempt to best manage costs ensuring financial commitments are delivered within approved budgets.
- 1.4 The summary below sets out the key challenges and risks across each of the Directorates.
- 1.5 The **Resources and People Directorate, (covering Education and Children’s Services Group alongside Council Resources)** is reporting an increased overspend of £1.9 million (3.8%) an increase from the Q1 reported position of £0.935 million. Education & Children’s Services is reporting a collective overspend of £2.17 million (4.9%), with most of the pressure evident within Children’s Services (£1.33 million (22.7%)) and Education ASL (£0.559 million (10.5%)). Council Resources is reporting an underspend at end of August of £0.263 million (5.1%), however a number of services are undergoing service reviews with related planned savings, and the delivery of these will be kept under close review.
  - Within Children’s Services, and assuming existing commitments continue throughout the year, it is expected that the overspend will continue to grow. Most of the financial pressure is driven by an increased number of children placed in External Residential care during this year, combined with the full year impact of increased numbers in 2018/19. Further pressures are also evident in high tariff secure placements and external fostering, albeit the extent of

overspending in these areas will be lower than that experienced during 2018/19.

- As reported in my Quarter 1 financial review, a new Children's Services Project Board chaired by the Chief Executive has been established that seeks to develop a clear understanding of financial pressures, identify opportunities to transform delivery of Children's Services and reduce current costs to a sustainable level. Additional financial support has also been provided through the Cost Reduction Fund to support intensive targeted intervention services that will prevent children and young people needing to be accommodated and also to help return those currently in external placements back to supported care in East Lothian. Although both of these interventions are potentially positive, they are not quick fixes and it is highly likely that the service will still be overspent in 2019/20 with any potential financial benefits only impacting upon future years.
- Relating to ASL, there is an alignment with the increased levels of external placement in Children's Services, with pressures evident in respect of the education and transport cost components. An external review has been commissioned that will review the service delivery model used to support children with additional support needs. The outcome of this review is still being considered. Current forecasts suggests that this service is likely to overspend in excess of 2018/19 levels.
- We continue to work closely with Education and Children's Services management to better understand their cost base, and to identify options that would bring services within approved budget levels. During the course of this financial year and into next, the service is actively supporting the development and implementation of expansion plans to deliver the new national policy requirement of 1140 hours of early learning and childcare. There are many financial risks associated with delivery of this programme and doing so within the fixed funding allocation received by the Council is a constant challenge that will continue to be closely monitored and reviewed.

1.6 The **Health & Social Care Directorate** covers the Adult Wellbeing service. The position recorded at 31 August 2019 is an overspend of £0.177 million (0.9%). Most of this relates to an increased number of older people in external residential homes. The budget remains under close review, and we are actively working with Adult Wellbeing management to identify specific areas of financial pressure and related trends with a view to identifying any necessary corrective action. Members are reminded that the majority of this budget is delegated to the IJB, and therefore any under / overspends must be managed within the wider overall IJB resources.

1.7 Within the **Partnership & Community Services Directorate**, despite a relatively minor reported underspend of £50K (0.3%), pressures are evident in a number of service areas, with 2 services categorised as 'Medium Risk' with more detail set out below:

- Landscape and Countryside service is currently reporting an overspend of £61K and there is a risk this might increase in line with 2018/19 levels. The service is experiencing a number of pressures relating to; skip hire operations, reduced income levels and increased costs associated with higher levels of fleet repairs and maintenance.
  - Roads Network includes both Decriminalised Parking (DPE) and Coastal Car Parking. As at August 2019, the service is reporting an overspend of £0.103 million. Income collection relating to DPE continues to be higher than planned, albeit this is partly offset by higher enforcement costs. Income levels relating to Coastal Car Parking have again improved relative to the in-year equivalent position last year, albeit they remain lower than approved budget levels. The ability to appropriately deliver planned work remains at risk due to any impact arising from adverse winter weather conditions and in accordance with normal practice, this will continue to be closely monitored.
- 1.8 Most of the Corporate Management budgets are operating within approved budget levels and we expect this to continue during the remainder of this financial year. Members are fully aware that as part of the 2018/19 closedown, Council approved a significant review of the Loans Fund and it is currently anticipated this will generate a similar level of saving relative to planned budget as was achieved last year.
- 1.9 We continue to provide a regular assessment of progress made with the implementing of planned efficiencies, and this is set out in more detail within **Appendix 3** of the report and includes a 'RAG' assessment of the progress made. In total, planned savings amount to £5.2 million, of which £3.2 million relates to service specific efficiencies as well as £1.993 million relating to the delivery of corporate efficiencies (covering transformational change as well as the review of staffing / senior management). There has been no change to the Quarter 1 reported position where just under £1.0 million has been categorised as 'Red', indicating a high risk that the planned saving will not be fully delivered in 2019/20.
- 1.10 Overall, the Council continues to operate within an extremely challenging financial climate and it looks very likely that services will overspend during the 2019/20 financial year to a significant level. If the level of overspending evident at Period 05 should continue to the year end, the cost of providing council services would reflect an overspend against approved budgets of nearly £5 million. In line with the 2018/19 year-end report to Council in June of this year, it had been anticipated that any further benefit derived in 2019/20 from the loans fund review would provide the means by which we could top up our much-depleted general reserves. Unless significant intervention/control action is taken quickly, there is a high probability of a significant overspend that would more than wipe out any benefits from the Loans Fund Review with a residual net overspend in the region of between £1 and £2 million.
- 1.11 The Council Management Team (CMT) members both collectively and individually, are actively considering ways in which spending commitments

can be contained within approved levels and where possible, without impacting on agreed policy objectives. Enhanced financial controls are in place across many service areas but it looks unlikely that this will be able to address the deficit in full. Given that, it is strongly recommended that the Council continues to follow the path set out in the approved Financial Strategy, and the following steps be taken with the aim of reducing expenditure commitments in this current financial year:

- All Council Managers are asked to ensure that they deliver their service commitments within their approved budget levels, including preserving existing underspends. Where demand pressures are evident, this will require appropriate management actions and/or compensating cost reduction measures to be identified.
- All new and additional purchasing commitments should be avoided where possible.
- Expenditure on staffing should be minimised through continued application of stringent workforce management measures including careful monitoring of vacancies and minimising the use of overtime and temporary and agency working.
- The CMT will continue to oversee the delivery of planned efficiencies and will receive regular reports on the progress for implementing agreed savings plans. Where existing budget efficiencies cannot be delivered, alternative options to meet the budget efficiencies must be identified.
- In conjunction with the Chief Executive, I will continue to oversee and manage the use of the Cost Reduction Fund as a means of reducing the Council's cost base through the delivery of planned efficiency savings and therefore reducing budget overspending.
- Continued and enhanced efforts should be made to explore new ways of generating additional income for the Council.

### **General Services Capital Summary – Period 5**

- 1.12 **Appendix 4** sets out the 2019/20 re-profiled budgeted expenditure to the end of August 2019 with actual expenditure currently totalling £8.5 million. There is some anticipated slippage on a number of projects and as such the estimated gross spend for the full financial year is projected to be around £48.0 million, and the net borrowing requirement expected to be £19 million.
- 1.13 The Council has recently received confirmation that two of our major school projects will now attract significant Scottish Government support. The projects will see the delivery of two Community Learning Facilities that will include a Secondary School at Wallyford, and a Primary School at Whitecraig. We are still awaiting specific details around the financial

support to be provided, but it is anticipated that the Council will need to significantly extend its capital investment on both projects and that any subsequent Scottish Government funding will support lifecycle maintenance costs and the achievement of additional outcomes related to the national Learning Estate Strategy.

- 1.14 In order for these projects to be eligible for Scottish Government support, they have both been extended in scope and are now in excess of the approved budget plans. As such, development of the 2020 budget proposals will need to reflect the related increase in project costs yet must still work within affordability parameters.
- 1.15 On the related project that will deliver essential internal alterations to the existing Musselburgh Grammar School, following a tender process the cost of the required works are now estimated to be significantly in excess of the approved budget. Members are asked to support this work proceeding, noting it will be carried out across this and next financial year. Any additional cost above budget this year will be met from underspending elsewhere within the programme with overall project cost increases reflected in the new capital budget proposals to be developed for next year.

#### **Housing Revenue Account Summary – Period 5**

- 1.16 At the end of August 2019, the Housing Revenue Account is reporting a break-even position against planned budget. In line with the existing financial strategy whereby the council should maximise any flexibility arising from revenue balances to minimise the future impact of debt charges, any additional surplus arising during 2019/20 will be applied to offset capital investment.
- 1.17 The current position reflects higher than anticipated reactive repair costs. The service is actively managing reactive repairs for the remainder of the financial year in order to contain spend within approved budget levels.
- 1.18 Details of the Housing Revenue Account capital budgets and expenditure incurred to date is set out in **Appendix 5** of this report. The total capital budget approved for HRA was £32.890 million. As at end of August 2019, the actual spend was £9.609 million (29%). Work is progressing well on both major programmes relating to modernisation and new affordable housing and it is anticipated that both will deliver broadly in line with the approved budget. There is a risk of marginal overspending on both programmes but any impact of overspending will be largely offset by higher grant subsidy. The Scottish Government's Mortgage to Rent Scheme continues to be supported and promoted, but in the current year to date, no eligible applications have been received. Capital fees are allocated at the year-end and it is anticipated that this will be around approved budget levels.

## Appendix 1 - General Fund

Service	Head of Service	Business Unit	2019/20 Budget  £'000	Year to Date			2019/20 Variance  %	Financial Risk Assessment
				2019/20 Actual to Date  £'000	2019/20 Budget to Date  £'000	2019/20 Budget Variance to Date  £'000		
Resources & People	Education	Childrens	14,580	7,192	5,862	1,330	22.7%	High
Resources & People	Education	Additional Support for Learning	8,152	5,864	5,305	559	10.5%	High
Resources & People	Education	Pre-school Education & Childcare	11,856	5,688	5,830	-142	-2.4%	Medium
Resources & People	Education	Schools - Primary	40,432	11,748	11,682	66	0.6%	Medium
Resources & People	Education	Schools - Secondary	42,275	14,557	14,529	28	0.2%	Medium
Resources & People	Education	Schools - Support Services	2,683	1,592	1,264	328	25.9%	Medium
<b>RESOURCES &amp; PEOPLE</b>	<b>EDUCATION TOTAL</b>		<b>119,978</b>	<b>46,641</b>	<b>44,472</b>	<b>2,169</b>	<b>4.9%</b>	
Resources & People	Council Resources	Financial Services	1,388	1,284	1,334	-50	-3.7%	Low
Resources & People	Council Resources	Revenues & Benefits	1,996	336	489	-153	-31.3%	Low
Resources & People	Council Resources	IT Services	2,152	869	916	-47	-5.1%	Low
Resources & People	Council Resources	Legal & Procurement	551	337	343	-6	-1.7%	Low
Resources & People	Council Resources	People & Governance	4,706	2,116	2,123	-7	-0.3%	Low
<b>RESOURCES &amp; PEOPLE</b>	<b>COUNCIL RESOURCES TOTAL</b>		<b>10,793</b>	<b>4,942</b>	<b>5,205</b>	<b>-263</b>	<b>-5.1%</b>	
<b>RESOURCES &amp; PEOPLE TOTAL</b>			<b>130,771</b>	<b>51,583</b>	<b>49,677</b>	<b>1,906</b>	<b>3.8%</b>	
Health & Social Care Partnership	Adults & Older People	Adults	21,327	8,186	8,016	170	2.1%	Medium
Health & Social Care Partnership	Adults & Older People	Older People	25,535	8,573	8,479	94	1.1%	Medium
Health & Social Care Partnership	Adults & Older People	Director, Planning & Performance	5,874	2,270	2,357	-87	-3.7%	Medium
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP TOTAL</b>			<b>52,736</b>	<b>19,029</b>	<b>18,852</b>	<b>177</b>	<b>0.9%</b>	
Partnerships & Community Services	Development	Planning	983	347	368	-21	-5.7%	Low
Partnerships & Community Services	Development	Economic Development & Strategic Investment	1,561	1,020	1,046	-26	-2.5%	Low
Partnerships & Community Services	Development	Property Maintenance Trading Account	-813	-4	-2	-2	100.0%	Low
Partnerships & Community Services	Development	Community Housing	2,160	19	84	-65	-77.4%	Low
<b>PARTNERSHIPS &amp; COMMUNITIES SERVICES</b>	<b>DEVELOPMENT TOTAL</b>		<b>3,891</b>	<b>1,382</b>	<b>1,496</b>	<b>-114</b>	<b>-7.6%</b>	
Partnerships & Community Services	Infrastructure	Facility Support Services	3,538	936	916	20	2.2%	Medium
Partnerships & Community Services	Infrastructure	Facility Trading Activity	-276	-906	-912	6	-0.7%	Medium
Partnerships & Community Services	Infrastructure	Asset Planning & Engineering	2,510	1,731	1,775	-44	-2.5%	Medium
Partnerships & Community Services	Infrastructure	Landscape & Countryside Management	5,099	2,413	2,352	61	2.6%	Medium
Partnerships & Community Services	Infrastructure	Roads Network	4,568	1,598	1,495	103	6.9%	Medium
Partnerships & Community Services	Infrastructure	Roads Trading Activity	-728	-215	-224	9	-4.0%	Medium
Partnerships & Community Services	Infrastructure	Transportation	1,135	-30	-37	7	-18.9%	Low
Partnerships & Community Services	Infrastructure	Waste Services	7,550	3,175	3,169	6	0.2%	Low
Partnerships & Community Services	Infrastructure	Active Business Unit	3,600	1,192	1,244	-52	-4.2%	Low
<b>PARTNERSHIPS &amp; COMMUNITIES SERVICES</b>	<b>INFRASTRUCTURE TOTAL</b>		<b>26,996</b>	<b>9,894</b>	<b>9,778</b>	<b>116</b>	<b>1.2%</b>	
Partnerships & Community Services	Communities & Partnerships	Corporate Policy & Improvement	1,185	530	537	-7	-1.3%	Low
Partnerships & Community Services	Communities & Partnerships	Connected Communities	6,722	3,005	2,963	42	1.4%	Medium
Partnerships & Community Services	Communities & Partnerships	Protective Services	1,795	1,298	1,338	-40	-3.0%	Low
Partnerships & Community Services	Communities & Partnerships	Customer Services Group	3,517	1,754	1,801	-47	-2.6%	Low
<b>PARTNERSHIPS &amp; COMMUNITIES SERVICES</b>	<b>COMMUNITIES &amp; PARTNERSHIPS TOTAL</b>		<b>13,219</b>	<b>6,587</b>	<b>6,639</b>	<b>-52</b>	<b>-0.8%</b>	
<b>PARTNERSHIPS &amp; COMMUNITY SERVICES TOTAL</b>			<b>44,106</b>	<b>17,863</b>	<b>17,913</b>	<b>-50</b>	<b>-0.3%</b>	
<b>SERVICE TOTAL</b>			<b>227,613</b>	<b>88,475</b>	<b>86,442</b>	<b>2,033</b>	<b>2.4%</b>	
<b>CORPORATE MANAGEMENT TOTAL</b>			<b>-227,613</b>	<b>-128,860</b>	<b>-128,576</b>	<b>-284</b>	<b>0.2%</b>	
<b>TOTAL</b>			<b>0</b>	<b>-40,385</b>	<b>-42,134</b>	<b>1,749</b>	<b>-4.2%</b>	
<b>TOTAL HRA</b>			<b>0</b>	<b>-7,558</b>	<b>-6,897</b>	<b>-661</b>	<b>9.6%</b>	



Appendix 2

Financial Risk	Factors	Implications
<b>High</b>	<ul style="list-style-type: none"> <li>- The Business Group has been assessed as likely to overspend in the financial year</li> <li>- There has been a history of overspending within Units / Groups</li> <li>- There are new or revised funding arrangement and / or legislature changes with financial significance</li> <li>- Trading Accounts are in deficit for the year.</li> <li>-Grant schemes, on which the Council is reliant are either unconfirmed or have not been confirmed</li> <li>-The service is demand led and the Council has restricted control over the level and form of service</li> <li>- New Services are planned</li> </ul>	<ul style="list-style-type: none"> <li>-Cabinet &amp; Members Library reports with financial implications are not passed under delegated powers</li> <li>-Directors / Heads of Service will be asked to prepare a financial recovery plan</li> <li>-The Head of Council Resources may take enforcement action to ensure budgetary control</li> </ul>
<b>Medium</b>	<ul style="list-style-type: none"> <li>- There is significant potential that Business Group could overspend in the financial year</li> <li>- There have been previous incidences of some overspending within Units / Groups</li> <li>- There are new or revised funding arrangement and / or legislature changes with financial significance</li> <li>- Trading Accounts are having difficulty meeting financial targets</li> <li>-Grant schemes, on which the Council is reliant are either unconfirmed or have not been confirmed</li> </ul>	<ul style="list-style-type: none"> <li>-Members library reports are only passed when financial implications are addressed</li> <li>-Directors / Heads of Service will be asked to identify actions necessary to ensure expenditure is within budget by the year-end.</li> </ul>
<b>Low</b>	<ul style="list-style-type: none"> <li>-Finances are generally under control for the current financial year</li> <li>-Stable legislature, trading and funding environment</li> <li>-The service is supply led - i.e. the Council can decide the level and form of service</li> <li>-Finances in previous financial years have been controlled</li> <li>-Grant schemes are stable and not anticipated to change significantly</li> </ul>	<ul style="list-style-type: none"> <li>-Members library reports are approved promptly under delegated powers</li> </ul>

2019/20 Budget Monitoring and Budget Efficiencies

Appendix 3

Budget Efficiencies:

Service	2019/20		
	Achieved	Achievable	TBC
	£'000	£'000	£'000
Education	493	764	914
Council Resources	286	289	0
H&SCP	182	520	0
Communities	112	338	0
Development	324	309	0
Infrastructure	103	524	70
Corporate	0	0	0
<b>Total</b>	<b>1,500</b>	<b>2,744</b>	<b>984</b>
			<b>5,228</b>

Savings Currently Red

Service	Proposal	Value	Comments
Education	Staff Performance & Transformational Savings	914	Posts have not been identified.
Landscape & Countryside	Amenity Service - income generating target	20	Work is ongoing to identify opportunities to increase income.
Landscape & Countryside	Commercial Income from Play Area installation	30	Work is ongoing to identify opportunities to increase income.
Roads Trading	Explore new opportunities for income management	20	Work is ongoing to identify opportunities to increase income.
<b>Total</b>		<b>984</b>	

Appendix 4

General Services Capital Budget Monitoring Summary  
Position as at 31 August 2019

<b>Key - project lifecycle indication</b>					<b>Project Status</b>	
1 - Feasibility						
2 - Design						
3 - Out to tender						
4 - Tender Accepted						
5 - Under Construction						
6 - Operational/Retention						
7 - Annual Budget allocation						
<b>Approved Budget</b>	<b>Annual (In-Year)</b>		<b>Outturn</b>	<b>Budget-Outturn</b>		
	<b>Updated</b>	<b>Actual</b>				<b>2019/20</b>
<b>2019/20</b>	<b>Budget</b>	<b>2019/20</b>	<b>2019/20</b>	<b>2019/20</b>		
<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		

**Expenditure**

<b>Community Projects</b>
Assets in the Community - Investment
Community Intervention
Support for Business - Gateside West
Town Centre Regeneration
Synthetic pitches
<b>Total Community Projects</b>

500	500	-	500	-	✓
600	600	133	600	-	✓
461	461	42	50	(411)	*
100	1,375	-	1,375	-	✓
19	20	-	-	(20)	✓
<b>1,680</b>	<b>2,956</b>	<b>175</b>	<b>2,525</b>	<b>(431)</b>	

<b>ICT</b>
IT Programme
Replacement - CRM Project (Customer Services)
<b>Total ICT</b>

2,110	2,110	861	2,110	-	✓
-	103	(22)	103	-	✓
<b>2,110</b>	<b>2,213</b>	<b>839</b>	<b>2,213</b>	<b>-</b>	

<b>Fleet</b>
Amenties - Machinery & Equipment - replacement
Vehicles
<b>Total Fleet</b>

190	190	139	190	-	✓
1,850	1,882	311	1,882	-	✓
<b>2,040</b>	<b>2,072</b>	<b>450</b>	<b>2,072</b>	<b>-</b>	

<b>Open Space</b>						
Cemeteries (Burial Grounds)	287	727	-	120	(607)	✓
Coastal / Flood Protection schemes - East Beach, Dunbar	-	192	11	192	-	✓
Coastal / Flood Protection schemes - Haddington	256	328	20	100	(228)	✓
Coastal / Flood Protection schemes - Musselburgh	613	780	52	590	(190)	✓
Coastal Car Park Toilets	150	480	-	150	(330)	✓
Core Path Plan	50	50	2	50	-	✓
Mains Farm Sports Pitch & Pavilion	429	558	-	147	(410)	✓
Polson Park	138	138	-	-	(138)	✓
Waste - New Bins	150	150	78	150	-	✓
Waste - Machinery & Equipment - replacement	40	40	4	40	-	✓
<b>Total Open Space</b>	<b>2,113</b>	<b>3,442</b>	<b>166</b>	<b>1,539</b>	<b>(1,903)</b>	
<b>Roads, Lighting and related assets</b>						
Cycling Walking Safer Streets	171	171	-	171	-	✓
Parking Improvements	250	418	143	250	(168)	✓
Roads	7,500	7,500	2,049	7,500	-	*
Roads - externally funded projects	267	973	512	1,174	201	*
<b>Total Roads, Lighting and related assets</b>	<b>8,188</b>	<b>9,062</b>	<b>2,704</b>	<b>9,095</b>	<b>33</b>	
<b>Property - Education</b>						
Aberlady Primary - extension	40	40	-	40	-	✓
Aberlady Primary - outdoor facility incl 1140	149	149	-	-	(149)	✓
Campie Primary - 1140	80	150	37	152	2	✓
Dunbar Grammar - extension	140	140	1	1	(139)	✓
Dunbar Primary - John Muir Campus - Early Learning and 1140	83	83	-	6	(77)	✓
East Linton Primary - extension including Early Learning and 1140	913	968	-	87	(881)	✓
Gullane Primary - extension including Early Learning and 1140	100	180	-	180	-	✓
Haddington Infant School - upgrades	6	6	-	-	(6)	✓
Law Primary - school extension	37	37	-	-	(37)	✓
Law Primary - extension including Early Learning and 1140	147	147	-	147	-	✓
Letham Primary - New School	6,775	6,695	1,459	6,767	72	✓
Longniddry Primary - extension	34	34	-	-	(34)	✓
Loretto Primary - 1140	38	63	57	64	1	✓
Meadowpark Communications Provision - upgrades	8	53	-	53	-	✓

Musselburgh Grammar - upgrades	283	283	-	384	101	✓
Musselburgh Primary - 1140 upgrades	36	57	48	58	1	*
New Musselburgh Additional Secondary Education Provision	1,700	5,403	242	4,315	(1,088)	*
North Berwick High School - Extension	5,489	5,600	47	4,268	(1,332)	*
Ormiston Primary - extension	20	26	32	50	24	*
Pinkie St Peter's Primary - extension including Early Learning and 1140	160	160	-	160	-	*
School Estate - Curriculum Upgrades	330	330	-	330	-	✓
Ross High School - extension	5,815	6,082	311	5,772	(310)	*
St Gabriel's Primary - extension including Early Learning and 1140	58	58	-	58	-	*
Tranent Early Learning Centre 1140	262	262	-	30	(232)	*
Wallyford Primary - New School	300	300	102	452	152	✓
West Barns Primary - extension including Early Learning and 1140	175	175	-	275	100	*
Whitecraig Primary - extension including Early Learning and 1140	324	324	-	50	(274)	✓
<b>Total Property - Education</b>	<b>23,502</b>	<b>27,805</b>	<b>2,336</b>	<b>23,699</b>	<b>(4,106)</b>	

<b>Property - Other</b>						
Accelerating Growth - Enabling Infrastructure	3,100	3,038	179	919	(2,119)	*
Court Accommodation - incl. SPOC	1,554	1,554	193	298	(1,256)	*
Haddington Corn Exchange - upgrades	640	797	1	530	(267)	✓
Haddington Town House - Refurbishment and Rewire	548	548	-	30	(518)	✓
Herdman Flat	160	200	-	200	-	✓
Inveresk Mills - upgrades	83	169	106	173	4	✓
Meadowmill - New Depot	-	149	3	235	86	✓
Port Seton - Community Centre Extension	1,048	1,229	-	664	(565)	✓
Prestongrange Museum	100	100	-	-	(100)	✓
Property Renewals	951	951	453	951	-	✓
Eskgreen Care Home - Lift Refurbishment	200	200	-	-	(200)	✓
East Linton Primary - Lifecycle improvements	522	522	-	-	(522)	✓
Dunbar - The Cove ASN Unit	77	77	-	-	(77)	✓
Replacement Pathways Centre	1,046	1,046	-	-	(1,046)	✓
Sports Centres	200	200	200	200	-	*
Whitecraig Community Centre	483	973	708	994	21	✓
<b>Total Property - Other</b>	<b>10,712</b>	<b>11,753</b>	<b>1,843</b>	<b>5,194</b>	<b>(6,559)</b>	
<b>Total Property - Education and Other</b>	<b>34,214</b>	<b>39,558</b>	<b>4,179</b>	<b>28,893</b>	<b>(10,665)</b>	

Capital Plan Fees	1,728	1,728	-	1,728	-	✓
<b>Total Gross Expenditure</b>	<b>52,073</b>	<b>61,031</b>	<b>8,513</b>	<b>48,064</b>	<b>(12,966)</b>	
<b>Income</b>						
<b>Total Income</b>	<b>(36,257)</b>	<b>(39,709)</b>	<b>-</b>	<b>(28,775)</b>	<b>10,934</b>	
<b>Borrowing Requirement</b>	<b>15,816</b>	<b>21,322</b>	<b>8,513</b>	<b>19,289</b>	<b>(2,032)</b>	

## 2019-20 Period 5 Financial Review - Appendix 5

### HRA Capital Programme

	Budgeted	Actual	Over/(Under)
	(£000s)	June 2019	(£000s)
		(£000s)	(£000s)
Modernisation Spend	11,998	3,719	(8,279)
New Affordable and Council Housing	18,657	5,889	(12,768)
Mortgage to Rent	840	0	(840)
Fees	1,395	0	(1,395)
<b>Gross Total Housing Capital Spend</b>	<b>32,890</b>	<b>9,608</b>	<b>(23,282)</b>





## **Appendix B – Financial Prospects 2020 and beyond**

- 1.1 The financial prospects covering the financial planning period from 2019/20 to 2023/24 was considered and approved by Council in October 2018. The report set out some of the wider forecasts and assumptions which the Council could expect during that period and this helped form the basis of the Council's existing Financial Strategy approved in December 2018.
- 1.2 One year on, this report refreshes these forecasts and extends the financial planning period for a further year until 2024/25, setting the context which will help inform the financial planning framework for the Council over the next 5 years, and will be set out within the new Financial Strategy in December of this year.
- 1.3 Audit Scotland's most recent Annual Audit Report for 2018/19 provides a summary of their key findings in relation to financial management and sustainability for the Council, and whilst it states that the financial management is effective, amongst other messages, it does state the following:
  - The Council and its group financial position is sustainable in the foreseeable future although rising demand, increasing costs of services and reductions to central funding will continue to place a strain on the Council's capacity to deliver services at the current levels.
  - The council has made savings over the past few years. However the size of the future funding gap and a reliance on non-recurring savings means it will struggle to make the required savings in future years.
- 1.4 The continuing economic and political uncertainty around future public sector funding, against a backdrop of increasing demand, means that it is inevitable the Council will need to find ways of ensuring that it can continue to deliver sustainable services to the public within likely reducing levels of resources. This report sets out some of the wider financial prospects for the Council over the medium term, and will be used to develop the future Financial Strategy for the Council and set the framework to drive forward effective forward financial planning, helping to ensure limited resources are most effectively aligned to delivery of the Council plan and related priorities.

### **2019/20 Budget**

- 1.5 At its meeting on 12 February 2019, the Council approved a budget for 2019/20 for both General Services and Housing Revenue Account (HRA) revenue and capital, and outline budgets for subsequent financial years. The General Fund revenue budget was approved across a 3 year financial planning period (2019/20 to 2021/22) with the HRA (revenue and capital) and General Fund capital programme covering a 5 year period until 2023/24.

1.6 The approved General Services revenue budget included a number of key assumptions relating to income and expenditure commitments in future years, and included efficiency plans totalling £11.3m across the 3 year period. The ability for the Council to fully deliver its policy commitments and achieve associated outcomes within available resources is predicated on ensuring that these assumptions remain accurate and should any of these assumptions change, that appropriate remedial action is then put in place. A summary of key variables that will need to be reflected within the approved budget over the next 3 years is set out below;

- **Revenue Support Grant (RSG)**

- The Revenue Support Grant (RSG) is funding provided from the Scottish Government currently makes up about 2/3rds of the Council's overall funding. The financial strategy places a greater emphasis for the Council to become more commercial and entrepreneurial, however in proportionate terms, any change to the RSG awarded by the Scottish Government can have a major impact upon future financial plans and therefore service delivery levels.
- The existing approved budget assumed 'flat cash' across the 3 year planning period. This also includes the assumption that the additional £90 million funding which was reflected within the overall 2019/20 Local Government Settlement is baselined. As has been the case for some time, Scottish Government settlement figures are only provided for one year (2019/20), and therefore funding from 2020/21 onwards cannot be projected with any certainty.

- **Other Scottish Government Funding**

- The Council also receives Scottish Government funding for a growing number of specific and new policy objectives including: Social Care Fund, Pupil Equity Fund (PEF), Criminal Justice Funding (CJSW) as well as significant additional funding provided to support the delivery of Early Learning and Childcare – 1140 hours expansion.
- The current budget has reflected specific funding already confirmed in relation to the delivery of 1140 hours through until 2021/22. Plans are currently being developed to support the roll out of the 1140 hours policy, but there remains a degree of risk around the ability to deliver the policy within the current fixed funding envelope. Funding for PEF has been removed from 2021/22 in line with the existing commitment aligned to this current Parliament. The budget assumes recurring funding levels relating to Social Care Fund and CJSW funding.

- **Council Tax Income / Yield**
  - The Council Tax income within the 3 year approved budget includes: increased yield from additional properties anticipated to be built in the next 3 years plus an assumed annual Council Tax increase of 4.79% in 2019/20 which was in line with the flexibility approved by the Scottish Government and an assumed 3% increase in the following 2 years. The Council annually determines the level of Council Tax which is levied as part of the annual budget process.
  - Council Tax currently equates to around a quarter of the overall funding provided to the Council. Current projected increases in Council Tax yield is driven by forecasts relating to planned and completed housebuilding within the Council area and anticipated collection rates, much of which can be variable and dependent upon economic conditions.
  - Despite this anticipated increase in income, the cost to the Council in providing our range of council services to an increased population, number of households and a growing number of businesses is substantially higher than any increase received from Council Tax yield. This is further referenced under the subsequent section on Demand Growth.
  
- **Use of Reserves**
  - The current 3 year budget plans to make use of general reserves of up to £3.000 million in 2019/20 with no further general reserves applied in the subsequent 2 financial years. This is consistent with the Financial Strategy which includes the requirement to deliver a sustainable budget. During the budget period there is however a planned draw down from a number of the specific earmarked reserves such as DSM balances and also a number of approved commitments against the Cost Reduction Fund.
  - The 2018/19 audited accounts show a total General Fund Reserves balance (including the Council's Insurance Fund) balance of £19.4 million, most of which is committed to support a wide range of future requirements. The approved Financial Strategy includes a specific Reserves Strategy within which, there is a requirement to maintain a minimum level of uncommitted reserves which equate to 2% of the Council's annual running costs. The 2% target is currently being met, but this combined with a relatively low level of overall general reserves remains a significant challenge.
  - It remains vital that the Council has in place a clear reserves and wider financial strategy that will help deliver stability within its cost base yet ensures the Council retains a degree of flexibility to address both future planned and unforeseen commitments.

- **Pay / Pensions**

- The current pay settlement stems a 3 year period from 2018/19 until 2020/21. The approved 3 year budget has included the following in relation to pay:
  - For 2019/20 and 2020/21 the agreed pay award for Local Government staff groups and Teachers. This reflected the following:
    - The base adjustment required to address the 2018/19 pay award;
    - 3% increase for 2019/20 and 2020/21
  - For 2021/22, no pay award has been agreed and an indicative increase of 2% for all staff groups has been reflected within the budget plans.
  - Some funding has been provided by the Scottish Government to fund an element of the Teachers Pay award and this will require to be reflected throughout future budget plans.
- Relating to Pensions, the Council has in recent years been part of a stability mechanism agreed with Lothian Pension Fund which provides a degree of certainty around any changes to employer's pension contribution rates. The currently stability mechanism is in place until 2020/21 and an increase of 0.5% increase per annum has been budgeted for the period 2019/20 to 2020/21. The current budget assumes a similar level of increase will also be in place for 2021/22. The next valuation of the Local Government Pension Scheme is scheduled to take place from April 2020, the outcome of which may impact on contribution rates from 2021/22 and therefore the current assumptions being made.
- The employer contribution rate relating to Teachers' Pension Scheme increased from 17.2% to 22.4% from September 2019. This change in rate will apply until March 2023 and thereafter the rate will be dependent on future actuarial valuations. The increase was announced in March 2019, and as such the costs have now been reflected in 2019/20 budget but not in future years. Funding has been provided by the Scottish Government to fund up to 79% of the costs, with the remainder to be met from Local Government budgets. This cost increase will be required to be reflected in future budgets.

- **Non-pay Inflation**

- Currently no general inflationary adjustments has been made to individual service budgets. Where inflationary uplifts are linked to contractual requirements such as PPP, alongside some

property related inflationary pressures such as energy, these have been reflected within 2019-2022 budget plans.

- UK CPI inflation rate as at August 2019 is currently at the lowest level for some time at 1.7% (2.4% as at August 2018), with the next published statistics available mid October. A broad inflationary target of 2% reflects current Government policy, with a drive to reduce this further through wider Monetary Policies. Despite this, we are still experiencing significant increased costs in a number of areas including; waste, energy and especially so in recent capital construction related projects, with many projects now being priced at considerably higher than budgeted levels.

- **Capital commitments**

- The Council already has a substantial General Services Capital Programme which has been developed to support growth such as the infrastructure requirements across the county as required by the Local Development Plan alongside the delivery of new policy requirements such as enhanced Early Learning and Childcare.
- The current LDP and South East of Scotland City Deal investments will create significant economic long term benefits for the East Lothian economy, but will place a significant and more immediate financial burden upon council finances. The current LDP related commitments have been built into current budgets, but progress towards fully delivering infrastructure projects identified within the City Deal and other growth related commitments such as Blindwells and Cockenzie will require significant future capital investment.
- The Council has also committed to a wider School Estate review which will impact significantly upon future capital investment plans. A significant proportion of the existing approved capital plans relates to increased investment in our wider school infrastructure, and this will continue for the foreseeable future.
- The prevailing economic uncertainty places greater risk on the cost and deliverability of both current and future capital plans. There is evidence of growing cost pressures associated with delivering future capital commitments within existing budget levels. Although a significant proportion of this additional investment will be supported through income contributions derived through the Developer Contributions Framework, volatility and economic uncertainty in the housing market can impact on both the timing and realisation of anticipated funding levels.
- In an unexpected and potentially significant development at the time of writing this report, the UK Treasury announced a significant increase to the Public Works Loans Board (PWLB)

interest rates. This increase in borrowing rates together with future capital investment requirements will need to be carefully considered within the wider Capital and Treasury strategies and future capital plans. Existing capital commitments may require to be reviewed to ensure that priorities can be delivered within agreed expenditure limits, to ensure these remain affordable and sustainable going forward.

- **Demand Growth**

- The Council's population profile continues to expand with increasing growth projected going forward in both sides of the demographic spectrum relating to school-age children and pensioners.
- Current budget plans have reflected some changes to population and service demand for areas such as pupil school roll, but does not include a more general population related adjustment.

- **Transformational Change / Efficiency Programme**

- A key requirement of the current budget is the delivery of the planned programme of efficiencies, with £11.3m of recurring efficiencies already identified within the current 3 year budget.
- The current 3-year budget assumes the delivery of the following efficiencies.
  - £6.7 million service efficiencies;
  - £3.0 million enhanced programme of transformational change / commercialisation alongside a reduction in the costs associated with core service provision;
  - £1.6 million staffing / review of senior management.
- Whilst substantial progress has been made to deliver the required level of savings to date, there remains some challenges within the current financial year, and it current remains unlikely that all efficiencies will be delivered with recurring plans. This is likely to place further challenges on future year's efficiency plans.

- **2019/20 Budgetary Pressures**

- The 2019/20 in year financial review highlights a growing number of significant service pressures, particularly within Children's Services and the wider Education group including ASL service but also within certain Infrastructure service areas. The 2020/21 and 2021/22 budget plans already include a recurring benefit derived from the then anticipated loans fund review with any other residual gain being used to dampen future

loans charge implications that would otherwise flow from our capital investment plans.

- The current approved 3 year budget is set on the assumption that the Council will deliver a break even position in the current year. Any change to this position would have a recurring impact on future budget plans.

### **General Services Budget – Prospects/Potential Implications**

- 1.7 Whilst many of these assumptions still remain appropriate, the potential consequence of any movement in any of these key variables poses a very significant risk to balancing our future budgets and therefore to maintaining service provision at existing levels.

### Economic / Fiscal Outlook – Scottish Local Government

- 1.8 The overall economic position across the UK remains uncertain. Discussions are on-going around the anticipated departure for the UK leaving the European Union with the planned date at end of October 2019 still unclear. With this comes added uncertainty around both the UK and Scottish economies and therefore on future public spending levels including Local Government funding settlements.
- 1.9 The recent COSLA evidence to the Local Government and Communities Committee pre-budget budget scrutiny, highlighted that between 2013/14 and 2019/20 Local Government has been passed a disproportionate funding cut in comparison to budget reductions the Scottish Government has faced where the overall Local Government budget share has fallen from 34.8% to 33%. Whilst some increase has been reported in recent years, this has largely been ring-fenced and linked to the delivery of new policy commitments predominately such as early learning and childcare, with core budgets significantly reduced and therefore pressurised. COSLA believes that Scottish councils have been tasked with delivering an increased number of Scottish Government priorities as well as absorbing the impact of inflationary and demand increases, and are ‘undeniably doing more with less’.
- 1.10 In May 2019, the Scottish Government’s Medium Term Financial Strategy was published which set out the Fiscal Framework and funding arrangements that the Scottish Government now operates within. The report outlines the Scottish Government’s approach to financial management and fiscal rules and sets out a range of possible funding scenarios for the Scottish Budget over the next five years based on modelling using the Scottish Fiscal Commission’s economic and fiscal forecasts as the central scenario. The Strategy also details the Scottish Government’s key policy priorities and approach to supporting Scotland’s economy.
- 1.11 Outline UK Spending Plans were announced by the Chancellor on 4 September for a one year period, but lack clarity surrounding related tax

policies and fiscal forecasts, all of which remain relevant given the devolution of tax policies to Scotland. In total, is expected that Scotland will receive an extra £1.2bn of funding in 2020/21 representing 2.1% real terms growth. Of this, £1.12bn is revenue funding while £88 million is capital funding. It is anticipated that the impact of this will be reflected in the Scottish Government's draft spending plans which we now expect to be announced on 12 December 2019, allowing for a period of Parliamentary scrutiny. Based upon pledges made within last year's Local Government settlement, it was anticipated that Council's would receive a multi-year funding settlement although this now looks unlikely, and it remains the expectation that funding for 2020/21 will again be provided for a one year period.

- 1.12 Given the challenging economic situation, there remains significant uncertainty within the UK and also Scottish economy. Whilst there remains some positive signs of real growth in the funding available to Scotland, the allocation of any increase must be considered within the wider tax and fiscal policy alongside Scottish Government spending plans.

### **Medium Term Outlook – East Lothian Council**

- 1.13 Notwithstanding the many uncertainties facing Scottish local authorities, the need for medium to longer term financial planning is becoming increasingly important. Councils must ensure that they have robust financial plans in place that can respond to and absorb the potential impact arising from an increasingly wide range of variables highlighted earlier in this report. Only by doing, can they ensure long term sustainability of service provision.
- 1.14 Scenario based financial modelling covering the period to 2024/25 has been undertaken to assist with assessing the potential impact on future budget plans based on a range of potential scenarios using a relatively limited set of key variables (RSG, Pay, Non-pay Inflation, budget pressures and Council Tax yield). **These scenarios should not be confused with any funding gap and associated saving plans developed during the subsequent budget process**, but any change to these variables may have a significant impact on the spending projections for the Council, and therefore should be used as illustrative examples to support and enhance future spending discussions.
- 1.15 Three separate scenarios have been used with details set out within **Appendix 1** of this report. **Appendices 2 and 3** sets out a summary of the scenario assumptions and key variables used.
- 1.16 These scenarios are based on the existing approved 3-year approved budget, and therefore any assessed funding requirement is over and above existing planned efficiencies.
- 1.17 The total estimated level of savings which will be required over the next 5 years is summarised in the table below.



Scenario	19/20	20/21	21/22	22/23	23/34	24/25	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	
		Year 1	Year 2	Year 3	Year 4	Year 5	
Existing Planned Efficiency Savings	5,228	3,941	2,143	-	-	-	11,322
<b>Potential Funding Gap</b>							
1	3,000	4,307	4,178	6,411	6,901	6,901	31,699
2	1,000	1,023	668	3,533	3,778	3,778	13,779
3	0	-2,432	-2,750	1,879	1,879	1,879	455

1.18 Should the full extent of these assumptions materialise, the Council would require to make some difficult choices in order to balance the budget. Although the level of savings identified will undoubtedly change as work progresses on developing the Revenue Budget, this illustration provides an indication of the scale of financial challenge facing the Council over the next five years. Reductions of the scale set out in scenario 1 would have a significant adverse impact upon service delivery and it is imperative that early consideration is given to how best this might be managed.

1.19 The Council's Financial Strategy provides a practical framework within which policy choices can be identified, debated and approved. This will require some difficult choices to be made around how resources are prioritised to best deliver local services.

### **Budget Development Process**

1.20 Officers have been reviewing the existing budget development process and I am recommending that the following arrangements should apply to the 2020-2023 budget. This will provide the framework for budget discussions and establish a platform for the development of an updated set of financial plans.

- A 3-year General Services revenue budget will be prepared covering 2020/21 to 2022/23, initially based upon a roll forward of existing budget plans.
- A longer term General Services capital budget will be prepared covering the 5 year period 2020/21 to 2024/25.
- The base budget will be developed and issued to all political groups by early December. This will be refreshed in light of settlement details

following presentation of the Scottish Government's Draft Budget to Parliament on 12 December 2019.

- A budget briefing on the development of the baseline budget and key assumptions for members will be held early in December.
- The Council's Financial Strategy setting out a clear direction on how the Council will manage its financial resources in the medium to long will now be proposed to Council in December. This will be considered alongside an updated Capital Strategy
- DRAFT budget proposals (covering both General Services and HRA) will be developed by the Administration and considered by Cabinet in January 2020 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 in February, when the Council budget for both General Services, HRA and Council Tax setting will be approved.

1.21 Given the high likelihood that further savings will be required to be delivered across the next few years, it is recommended that work on budget development for 2020/21 and beyond commences taking into consideration the potential scenarios outlined within this report.

1.22 In terms of public consultation, the Council will develop an enhanced public awareness campaign relating to our current financial position including information on the wider financial challenges faced. This will be supplemented by running focus group discussions aligned with the wider resident's survey.

1.23 Preparations for the formal statutory rent consultation are already well underway. Details of the feedback received from both processes will be shared with members to help inform final budget proposals.

## Appendix 1 – Financial Modelling 2020/21 to 2024/25 and potential savings gap

	<u>Current</u> <u>2019/20</u>	<u>Year 1</u> <u>2020/21</u>	<u>Year 2</u> <u>2021/22</u>	<u>Year 3</u> <u>2022/23</u>	<u>Year 4</u> <u>2023/24</u>	<u>Year 5</u> <u>2024/25</u>	<u>TOTAL</u>
Current Planned Efficiencies	5,228	3,941	2,143	n/a	n/a	n/a	<b>11,312</b>

<u>Scenario 1</u>	<u>Current</u> <u>2019/20</u>	<u>Year 1</u> <u>2020/21</u>	<u>Year 2</u> <u>2021/22</u>	<u>Year 3</u> <u>2022/23</u>	<u>Year 4</u> <u>2023/24</u>	<u>Year 5</u> <u>2024/25</u>	
Pay / Pensions	0	355	1,654	4,581	5,072	5,072	
RSG	0	1,691	0	0	0	0	
Non Pay / Inflation	0	1,336	1,336	1,336	1,336	1,336	
Current Pressures	3,000	0	0	0	0	0	
Council Tax	0	925	1,189	493	493	493	
<b>TOTAL</b>	<b>3,000</b>	<b>4,307</b>	<b>4,178</b>	<b>6,411</b>	<b>6,901</b>	<b>6,901</b>	<b>31,699</b>

<u>Scenario 2</u>	<u>Current</u> <u>2019/20</u>	<u>Year 1</u> <u>2020/21</u>	<u>Year 2</u> <u>2021/22</u>	<u>Year 3</u> <u>2022/23</u>	<u>Year 4</u> <u>2023/24</u>	<u>Year 5</u> <u>2024/25</u>	
Pay / Pensions	0	355	0	2,928	3,173	3,173	
RSG	0	0	0	0	0	0	
Non Pay / Inflation	0	668	668	1,336	1,336	1,336	
Current Pressures	1,000	0	0	0	0	0	
Council Tax	0	0	0	-731	-731	-731	
<b>TOTAL</b>	<b>1,000</b>	<b>1,023</b>	<b>668</b>	<b>3,533</b>	<b>3,778</b>	<b>3,778</b>	<b>13,779</b>

<u>Scenario 3</u>	<u>Current</u> <u>2019/20</u>	<u>Year 1</u> <u>2020/21</u>	<u>Year 2</u> <u>2021/22</u>	<u>Year 3</u> <u>2022/23</u>	<u>Year 4</u> <u>2023/24</u>	<u>Year 5</u> <u>2024/25</u>	
Pay / Pensions	0	355	-1,654	1,274	1,274	1,274	
RSG	0	-1,691	0	0	0	0	
Non Pay / Inflation	0	0	0	1,336	1,336	1,336	
Current Pressures	0	0	0	0	0	0	
Council Tax	0	-1,096	-1,096	-731	-731	-731	
<b>TOTAL</b>	<b>0</b>	<b>-2,432</b>	<b>-2,750</b>	<b>1,879</b>	<b>1,879</b>	<b>1,879</b>	<b>455</b>

## **Appendix 2 – Scenario Assumptions**

<b>Variable</b>	<b>Scenario 1</b>
Pay / Pensions	<p><b><u>Pay</u></b></p> <ul style="list-style-type: none"> <li>- Current pay award until 2020/21 and 3% increase per annum from 2021/22 to 2024/25.</li> </ul> <p><b><u>Pensions</u></b></p> <ul style="list-style-type: none"> <li>- Current planned increase in LGPS and from 2021/22 a further 0.5% increase per annum until 2024/25, and current planned increase in Teachers until 2022/23 and a further 0.5% per annum in 2023/24 and 2024/25.</li> </ul>
RSG	<ul style="list-style-type: none"> <li>- RSG reduces by 1% in 2020/21 and remains static in cash terms from 2021/22 onwards.</li> </ul>
Non Pay / Inflation	<ul style="list-style-type: none"> <li>- Additional Inflationary uplift of 2.0% in 2020/21 and 2021/22, with a 2% per annum general inflationary increase from 2022/23 until 2024/25.</li> </ul>
Current Pressures	<ul style="list-style-type: none"> <li>- Recurring budgetary pressure of up to £3m from 2019/20 and no further budgetary pressure.</li> </ul>
Council Tax	<ul style="list-style-type: none"> <li>- An annual increase of 1% per annum in Council Tax levels from 2020/21 until 2024/25 and 890 additional new homes per annum until 2024/25</li> </ul>

<b>Variable</b>	<b>Scenario 2</b>
Pay / Pensions	<p><b><u>Pay</u></b></p> <ul style="list-style-type: none"> <li>- Current pay award until 2020/21 and 2% increase per annum from 2021/22 to 2024/25 in line with planned inflation targets.</li> </ul> <p><b><u>Pensions</u></b></p> <ul style="list-style-type: none"> <li>- Current planned increase in LGPS and from 2021/22 a further 0.5% increase per annum until 2024/25, and current planned increase in Teachers until 2022/23 and a further 0.5% per annum in 2023/24 and 2024/25.</li> </ul>
RSG	<ul style="list-style-type: none"> <li>- RSG remains in line with current 3-year approved budget, and remains static in cash terms from 2020/21 onwards.</li> </ul>
Non Pay / Inflation	<ul style="list-style-type: none"> <li>- Additional Inflationary uplift of 1.0% in 2020/21 and 2021/22, with a 2% per annum general inflationary increase from 2022/23 until 2024/25.</li> </ul>
Current Pressures	<ul style="list-style-type: none"> <li>- Recurring budgetary pressure of up to £1m from 2019/20 and no further budgetary pressure.</li> </ul>
Council Tax	<ul style="list-style-type: none"> <li>- An annual increase of 3% per annum in Council Tax levels until 2024/25 and 890 additional new homes per annum until 2024/25</li> </ul>

Variable	Scenario 3
Pay / Pensions	<p><b><u>Pay</u></b></p> <ul style="list-style-type: none"> <li>- Current pay award until 2020/21 and 1% increase per annum from 2021/22 to 2024/25.</li> </ul> <p><b><u>Pensions</u></b></p> <ul style="list-style-type: none"> <li>- Current planned increase in LGPS and from 2021/22 no further increase until 2024/25, and current planned increase in Teachers until 2022/23 and no further increase until 2024/25.</li> </ul>
RSG	<ul style="list-style-type: none"> <li>- RSG increases by an additional 1% per annum from 2020/21 and remains static in cash terms from 2021/22.</li> </ul>
Non Pay / Inflation	<ul style="list-style-type: none"> <li>- No further inflationary uplift in 2020/21 and 2021/22, with a 2% per annum general inflationary increase from 2022/23 until 2024/25.</li> </ul>
Current Pressures	<ul style="list-style-type: none"> <li>- No recurring budgetary pressure and services will continue to deliver within approved budget levels.</li> </ul>
Council Tax	<ul style="list-style-type: none"> <li>- An annual increase of 4.79% per annum in 2020/21 and 2021/22 and 3% per annum from 2022/23 to 2024/25 and 890 additional new homes per annum until 2024/25.</li> </ul>

### **Appendix 3 – Variable Assumptions**

<b>Variable</b>	<b>Scenarios</b>
Pay / Pensions	<p><b><u>Pay</u></b></p> <ul style="list-style-type: none"> <li>- Scenario 1 – Current pay award until 2020/21 and 3% increase per annum from 2021/22 to 2024/25</li> <li>- Scenario 2 – Current pay award until 2020/21 and 2% increase per annum from 2021/22 to 2024/25 in line with planned inflation targets</li> <li>- Scenario 3 – Current pay award until 2020/21 and 1% increase per annum from 2021/22 to 2024/25</li> </ul> <p><b><u>Pensions</u></b></p> <ul style="list-style-type: none"> <li>- Scenario 1 – current planned increase in LGPS and from 2021/22 a further 1% increase per annum until 2024/25, and current planned increase in Teachers until 2022/23 and a further 1% per annum in 2023/24 and 2024/25.</li> <li>- Scenario 2 – current planned increase in LGPS and from 2021/22 a further 0.5% increase per annum until 2024/25, and current planned increase in Teachers until 2022/23 and a further 0.5% per annum in 2023/24 and 2024/25.</li> <li>- Scenario 3 – current planned increase in LGPS and from 2021/22 no further increase until 2024/25, and current planned increase in Teachers until 2022/23 and no further increase until 2024/25.</li> </ul>
RSG	<ul style="list-style-type: none"> <li>- Scenario 1 – RSG reduces by 1% in 2020/21 and remains static in cash terms from 2021/22 onwards.</li> <li>- Scenario 2 – RSG remains in line with current 3-year approved budget, and remains static in cash terms from 2020/21 onwards</li> <li>- Scenario 3 – RSG increases by an additional 1% per annum from 2020/21 and remains static in cash terms from 2021/22.</li> </ul>
Non Pay / Inflation	<ul style="list-style-type: none"> <li>- Scenario 1 – Additional Inflationary uplift of 2.0% in 2020/21 and 2021/22, with a 2% per annum general inflationary increase from 2022/23 until 2024/25.</li> <li>- Scenario 2 – Additional Inflationary uplift of 1.0% in 2020/21 and 2021/22, with a 2% per annum general inflationary increase from 2022/23 until 2024/25</li> <li>- Scenario 3 – No further inflationary uplift in 2020/21 and 2021/22, with a 2% per annum general inflationary increase from 2022/23 until 2024/25</li> </ul>
Current Pressures	<ul style="list-style-type: none"> <li>- Scenario 1 – recurring budgetary pressure of up to £3m from 2019/20 and no further budgetary pressure.</li> </ul>

	<ul style="list-style-type: none"> <li>- Scenario 2 – recurring budgetary pressure of up to £1m from 2019/20 and no further budgetary pressure</li> <li>- Scenario 3 – no recurring budgetary pressure and services will continue to deliver within approved budget levels</li> </ul>
Council Tax	<ul style="list-style-type: none"> <li>- Scenario 1 – an annual increase of 1% per annum in Council Tax levels from 2020/21 until 2024/25 and 890 additional new homes per annum until 2024/25.</li> <li>- Scenario 2 – an annual increase of 3% per annum in Council Tax levels until 2024/25 and 890 additional new homes per annum until 2024/25</li> <li>- Scenario 3 – an annual increase of 4.79% per annum in 2020/21 and 2021/22 and 3% per annum from 2022/23 to 2024/25 and 890 additional new homes per annum until 2024/25.</li> </ul>





**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Depute Chief Executive (Resources and People Services)

**SUBJECT:** Resignation of Chief Executive

---

**6**

## **1 PURPOSE**

- 1.1 To inform Council of the resignation of Angela Leitch from the post of Chief Executive of East Lothian Council to take up a position as Chief Executive of Public Health Scotland. Her last day of employment with East Lothian is to be 26 November 2019.
- 1.2 To advise Council of the arrangements for the forthcoming recruitment campaign to secure a new Chief Executive/Head of Paid Service for East Lothian Council and to ask Council to appoint the members of the Sub-Committee.
- 1.3 To ask Council to approve the interim arrangements to be put in place following the Chief Executive's departure and prior to the new Chief Executive taking up post
- 1.4 To ask Council to agree the interim appointment of a new Returning Officer for East Lothian with immediate effect.

## **2 RECOMMENDATIONS**

- 2.1 Council is recommended to note the content of this report.
- 2.2 Council is asked to approve the appointment of Alex McCrorie as Acting Chief Executive from the date of the current Chief Executive's departure until a new Chief Executive has been appointed and takes up the post.
- 2.3 Council is asked to appoint the Council Leader, the Provost, Councillor Henderson, Councillor Currie and Councillor Dugdale to act as the Appointments Sub-Committee
- 2.4 Council is recommended to approve the appointment of Jim Lamond, Head of Council Resources as the interim Returning Officer for East

Lothian and to approve the necessary change to the Council's Scheme of Delegation.

### **3 BACKGROUND**

- 3.1 On 18 September 2019, Angela Leitch, Chief Executive, submitted her written resignation to the Council Leader giving notice of her intention to leave to take up a new post as the Chief Executive of Public Health Scotland. The Council Leader has accepted Mrs Leitch's resignation.
- 3.2 The Local Government and Housing Act 1969, Section 4, requires the Council to designate a person as "Head of Paid Service". This statutory function is carried out by the Chief Executive.
- 3.3 The Council Leader has instructed the Head of Council Resources supported by the Service Manager – People and Governance to progress arrangements to appoint a new Chief Executive. A recruitment campaign has started with a view to securing the appointment of a permanent Chief Executive and although every effort is being made to make early progress it is nevertheless not possible for any new Chief Executive to take up the appointment immediately following the departure of the current Chief Executive. Interim arrangements will therefore be required.
- 3.4 Alex McCrorie, Depute Chief Executive – People and Resources, has made it known that he does not wish to apply for the permanent post of Chief Executive and has formally advised of his intention to retire following the new Chief Executive taking up their position. He is therefore appropriately and fittingly placed to act as interim Chief Executive from the date of the current Chief Executive's departure until the new Chief Executive takes up their post, and he has indicated that he is willing to do so. Council is therefore asked to appoint Mr McCrorie as Acting Chief Executive for that currently open-ended period.
- 3.5 Neither the current Chief Executive nor Mr McCrorie feel that it is appropriate for them to act as the Returning Officer for East Lothian, although that is a role that traditionally sits with the Chief Executive. Should an election be called they each feel that an officer who can see through the process, including the work that follows any election, should be appointed to that role at this point. Jim Lamond, Head of Council Resources has acted as the Depute Returning Officer for East Lothian for many years and, in the circumstances, Council is asked to appoint him as the interim Returning Officer for East Lothian until a new Chief Executive is in post at which time it is anticipated that a further report will be brought to Council seeking their appointment as the Returning Officer.
- 3.6 The recruitment of the new Chief Executive will follow the Chief Official appointments process and the appointment will therefore be made by the Chief Officer and Head Teacher Appointments Sub-Committee in accordance with the Council's Scheme of Administration. It is proposed

that the cross party Sub-Committee will comprise the Council Leader, the Provost, Councillor Henderson, Councillor Currie and Councillor Dugdale.

3.7 Following consultation with Group Leaders, the Council has commissioned SOLACE in Business to assist with design of the recruitment process and they will also provide training, advice and guidance to the Sub-Committee supported by the Head of Council Resources (who has intimated he does not intend to apply for the post) and the Service Manager – People and Governance.

3.8 Campaign materials are currently being gathered for publication on a microsite to which candidates will be directed on application. The timetable for the recruitment and selection process is:

Recruitment campaign opens	22 October 2019
Recruitment campaign closes	12 November 2019
Long list meeting	18 November 2019
Short listed candidates Assessment Centre day	9 December 2019
Formal interviews	13 December 2019
Latest offer to preferred candidate	16 December 2019

Pre-employment checks will then have to be carried out including the taking up of references. Most external candidates at this level would also require to give approximately three months contractual notice once any formal offer has been issued although that can be negotiable depending on circumstances. It is therefore possible that the new Chief Executive may not be able to take up the post until April 2020.

#### **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 – The cost of the Solace in Business support plus any outlays estimated to be in the region of £16,000 will be met from within the existing staffing budget for the Chief Executive.

6.2 Personnel - The terms and conditions of employment applicable to the post of Chief Executive are enshrined within the SJC Conditions of Service for Chief Officials and the salary is nationally determined with other local terms and conditions applying in accordance with East Lothian Council's standard employment policies. People and Governance will coordinate and administer the entire recruitment and selection process, reporting to the Leader through the Head of Council Resources

6.3 Other - None

## 7 BACKGROUND PAPERS

7.1 None

<b>AUTHOR'S NAME</b>	Kirstie MacNeill
<b>DESIGNATION</b>	Service Manager – People and Governance
<b>CONTACT INFO</b>	<a href="mailto:kmacneill@eastlothian.gov.uk">kmacneill@eastlothian.gov.uk</a> 01620 827164
<b>DATE</b>	18 October 2019

**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Depute Chief Executive (Resources and People Services)

**SUBJECT:** Amendment to East Lothian Council's Polling Place Scheme

---

**7**

## **1 PURPOSE**

- 1.1 To seek Council support to formally amend East Lothian Council's Polling Place Scheme in respect of ELMN1A and ELMN3E polling districts.

## **2 RECOMMENDATIONS**

- 2.1 Members are asked to approve the permanent amendment to the polling scheme for the East Lothian Constituency for Polling Districts ELMN1A and ELMN3E

## **3 BACKGROUND**

- 3.1 As a result of the closure of Stoneyhill Community Centre a new polling place must be found to serve the electorate in this polling district.
- 3.2 It is proposed that Musselburgh Rugby Club be used as the permanent polling place. The property is in the same vicinity as Stoneyhill Community Centre and has good facilities and voter access.
- 3.3 It is anticipated that the new Whitecraig Community Centre will open to the public during November replacing the existing centre that is co-joined to the Primary School.
- 3.4 Arrangements are being made to assess the new building's suitability to act as a Polling Place although it is expected this will be possible. Assuming the facility becomes operational during November as planned, it is proposed that the new Whitecraig Community Centre be included within the proposed Polling Scheme in place of the former Community Centre.

3.5 Local Councillors have been advised in relation to both proposals and none expressed any reservation.

#### **4 POLICY IMPLICATIONS**

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

#### **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 The existing Polling Scheme was approved at Council meeting on 11 December 2018 following the Statutory Review of Polling Districts and Polling Places.

<b>AUTHOR'S NAME</b>	Jim Lamond
<b>DESIGNATION</b>	Head of Council Resources
<b>CONTACT INFO</b>	01620 827278
<b>DATE</b>	18 October 2019

**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Depute Chief Executive (Resources and People Services)

**SUBJECT:** VE Day – 75th Anniversary

---

**8**

## **1 PURPOSE**

- 1.1 To inform Council of the UK Government's decision to change the date of the May bank holiday to mark the 75<sup>th</sup> anniversary of VE Day;
- 1.2 To inform Council of the options open to it as to how to Mark VE Day;
- 1.3 To inform Council of the implications and steps that require to be taken in respect of each option in order to enable Council to make a decision

## **2 RECOMMENDATIONS**

- 2.1 That Council considers the options set out in 3.4 and agrees one of those options.
- 2.2 That, whichever of options A, B, C, D or E is agreed, a report is prepared for the next meeting of the Education Committee to reflect Council's decision on the arrangements for the May holiday as schools already have a scheduled holiday on Monday 4 May and the term dates have been published.

## **3 BACKGROUND**

- 3.1 The UK Government has approved a change to the date of next year's early May bank holiday from Monday 4 May to Friday 8 May 2020 to mark the 75<sup>th</sup> anniversary of VE Day.
- 3.2 8 May 1945 was the day that peace was declared in Europe after nearly six years of war and the 75<sup>th</sup> anniversary on 8 May 2020 represents an important milestone in the history of the UK. National celebrations of VE Day 75 are being led by the Pageantmaster with three days of

commemorations planned throughout the UK from Friday 8 May to Sunday 10 May 2020.

3.3 Unlike many other councils, East Lothian Council does not have a universal fixed holiday in May so there is no opportunity to move any existing May holiday for all staff. Schools are in a different position as the Education Service has already published term times for East Lothian Schools for 2019/20 showing a range of holidays including Monday 4 May. Schools are therefore in a position to swap the existing holiday on 4 May for Friday 8 May.

3.4 It is felt important that the Council should mark the occasion and there are therefore a number of options for Council to consider each with its own implications:

A. Move the school holiday from Monday 4 May to Friday 8 May and look sympathetically on requests for leave/flexi for those members of staff that do not work in schools who wish to take the day off to mark the occasion. This option would align schools with the SQA examination timetable that has now fixed Higher and Advanced Higher English exams for Monday 4 May. No exams have been fixed for Friday 8 May. This change would require formal approval through the normal approval process for school holidays as school term dates for 2019/20 have already been approved and published but it would have no direct impact on the 195 school working days. This option would be relatively cost neutral as for schools it swaps one holiday for another as anticipated by UK Government. There would be no change for staff not employed in schools.

B. Move the scheduled school holiday on 4 May to 8 May and, for staff not based in schools, move the fixed public holiday that would normally be granted on Friday 18 September 2020 to 8 May. As with option A, this option would be relatively cost neutral as it swaps one fixed public holiday for another, this time for all staff. This is the option proposed by the UK Government and it has already been adopted by a number of councils. It resolves the SQA examination issue. The fixed annual leave days for 2020 for staff not employed in schools are agreed annually with the Trades Unions and as these have not yet been agreed, an opportunity exists to move the September fixed holiday to May. For staff not based in schools there may be implications for some who have already booked holidays in September 2020 who may then be required to use annual leave or flexi time as a result of moving the fixed September holiday. It is not thought that many staff would be negatively impacted in this way and they would have a year in which to make any alternative arrangements.

C. Move the school holiday from Monday 4 May to Friday 8 May and grant all non-school based staff an additional day's annual leave on Friday 8 May. This option will have cost and service delivery implications. The additional cost is estimated at £30,000. There would be no additional payment for school based staff and no enhanced payments



would be made to other staff. The school calendar would have to be adjusted as in A and B. Those employees not based in schools who deliver essential services on 8 May will require an additional day's leave at a later date that will require to be covered potentially incurring overtime payments. Part-time employees not due to work on 8 May would be entitled to pro rata time off at a later date. This would, however, mean that teachers and other school-based term-time staff such as business support, janitors, cleaners etc. would not benefit from the extra holiday and it might therefore lead to parity issues being raised.

- D. Grant an additional public holiday for all staff on 8 May 2020. This option would incur considerable cost both direct and indirect and will have service delivery implications. Should Council agree this option, permission will require to be obtained from the Scottish Government to reduce the number of school days by a further one day for the 2019/20 session. The pupil year has already been reduced from 190 days to 188 to accommodate an additional two in-service days. It is not known whether the request will be granted or how long that process would take. Soundings have been taken from Scottish Government and it has indicated that its permission may be difficult to obtain and would only be granted on the basis of the educational benefit of allowing an additional day off. There would also have to be consultation with parents and the schools before granting any additional holiday as it is important to balance any educational benefit against the additional burden placed on working parents in respect of child care. There are implications for members of the public as only essential services would be available on 8 May 2020. Costs to the Council will potentially include paying enhanced payments and/or time off in lieu at a later date. The costs for such payments are estimated to be in the region of £60,000. Any employees delivering essential services would receive enhanced payments or time off in lieu at a later date. In addition there are many hidden costs involved in catching up on the work normally undertaken on the day that will range from extra hours that have to be worked for those inputting data to arranging additional waste collections etc. There may be implications for shift workers as changes will be required to shift patterns to accommodate the additional holiday. This may have impact on the holiday plans of some individuals.
- E. Recognise 8 May 2020 as an additional one-off leave day. As with options C and D there would be cost and service delivery implications although this would be less costly than D as the Council would not pay public holiday enhanced pay. Permission would still have to be sought from Scottish Government for exceptional closure of the schools. The school calendar would also have to be adjusted accordingly. Those employees delivering essential services will require an additional day's leave at a later date that will require to be covered potentially incurring overtime payments. Part-time employees not due to work on 8 May would be entitled to pro rata time off at a later date. An estimated allowance for these costs is approximately £45,000. Similar to option

C there will be some extra hidden cost in certain processing teams who will have an extra days work with which to catch up.

- 3.5 On benchmarking with other councils, thirteen responses were received. Although not all of the responding councils have made a final decision, nine have indicated that they propose to move an existing public holiday from 4 May to 8 May, three have decided not to mark the date mainly because they do not have any fixed holidays and one has taken the decision to grant an additional days leave. The council that granted the additional day's holiday did so before the decision was taken by the SQA to fix examinations on 4 May.
- 3.6 The trades unions have been consulted. The EIS has responded to the effect that it supports the holiday on 4 May being moved to 8 May for schools, options A and B. It does not support retaining the existing holiday on 4 May as it feels that it would be unrealistic to open schools for the examination asking staff to provide support and cover for those. It would prefer that 4 May remains a normal working day and did not support options D and E. UNISON has indicated that it is not supportive of option B and that its preferred option would be option D.

#### **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 – Potentially up to £60,000 to be found from within existing budgets depending on the option decided upon. If options D or E are approved that would also incur the additional cost of opening the Secondary Schools on Monday 4 May, providing teaching and support staff to enable students to undertake the Higher and Advanced Higher English examinations and to invigilate during the examinations.
- 6.2 Personnel - There may be some issues around shorter working days and changed shift patterns caused by granting any additional public holiday or fixed day annual leave. Some school staff may not be prepared to work on Monday 4<sup>th</sup> May to cover the examinations
- 6.3 Other - None

## 7 BACKGROUND PAPERS

### 7.1 East Lothian Council Leave Policy (June 2008)

[https://intranet.eastlothian.gov.uk/downloads/file/282/leave\\_policy](https://intranet.eastlothian.gov.uk/downloads/file/282/leave_policy)

<b>AUTHOR'S NAME</b>	Kirstie MacNeill
<b>DESIGNATION</b>	Service Manager – People and Governance
<b>CONTACT INFO</b>	01620 827164 kmacneill@eastlothian.gov.uk
<b>DATE</b>	29 August 2019



**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Chief Executive

**SUBJECT:** Edinburgh and South East Scotland City Region Deal (ESESCRD) – Annual Report, Annual Conversation and Regional Growth Framework Update

---

9

## **1 PURPOSE**

- 1.1 This report summarises the key findings from the appended City Region Deal Annual Report (published on 28 August 2019 and approved by the City Region Deal Joint Committee on 3 September); and the annual conversation between UK Government, Scottish Government and City Region Deal partners that took place on 12 September.
- 1.2 To provide East Lothian Council with a summary on progress to date on the development of a Regional Growth Framework. The development of a Regional Growth Framework is expected to take until June 2020 and would be reported to each constituent authority for their consideration.
- 1.3 To note the recommendation to approve the recruitment of a Programme Director to oversee the development of the Regional Growth Framework and that the recruitment is overseen by the Edinburgh and South East Scotland City Region Deal Joint Committee. Discussions are taking place with the Scottish and UK Governments about meeting the costs of the Programme Director.

## **2 RECOMMENDATIONS**

- 2.1 To note the summary findings of the first annual report and annual conversation for the Edinburgh and South East Scotland City Region Deal.
- 2.2 To note the decision of the Edinburgh and South East Scotland City Region Deal Joint Committee on 3 September 2019 to approve a project brief for officers to commence the production of a Regional Growth Framework. There will be regular consultation with members through briefings, consultation and workshops. The process will be overseen by an Elected

Member Oversight Committee. The development of a Regional Growth Framework is expected to take until June 2020 and would be reported to each constituent authority for their consideration

- 2.3 To agree to the recruitment of a Programme Director to oversee the development of the Regional Growth Framework and that the recruitment is overseen by the Edinburgh and South East Scotland City Region Deal Joint Committee. Discussions are taking place with the Scottish and UK Governments about meeting the costs of the Programme Director.

### **3 BACKGROUND**

- 3.1 The Edinburgh and South East Scotland City Region Deal was signed by the First Minister, Prime Minister and City Region Leaders on 7 August 2018.
- 3.2 Each year City Region Deal partners are required to produce an annual report to assess how well the City Region Deal is aligning towards the overall vision and inclusive growth outcomes for the city region. The first Annual Report was approved by Government and published on 28 August 2019. Its findings were noted by the City Region Deal Joint Committee on 3 September 2019.
- 3.3 On 3 September 2019, the City Region Deal Joint Committee approved a report outlining a project brief to guide the production of a Regional Growth Framework.
- 3.4 On 12 September 2019, the first Annual Conversation took place between the Scottish Government, UK Government and Scotland Office and City Region Deal partners at senior level.

#### **Annual Report – published 28 August 2019**

- 3.5 The Annual Report for 2018 is an overall progress report for the City Region Deal programme between 7 August 2018 and 31 July 2019, with the exception of the Financial Statement which contains financial information for the financial year 2018/19. It contains a City Region Deal overview, Financial Statement, Governance Statement, a summary of partners' approach and plans for Monitoring and Evaluation, and a short summary of progress on each project and programme.
- 3.6 The report demonstrates significant progress across the 24 projects and programmes within the City Region Deal:
- 9 projects are classified as Stage 1: "Define" (business cases still to be approved by Government and Joint Committee)
  - 13 have reached Stage 2: "Implement" (business cases have been approved by Government and Joint Committee but projects are not yet operational)

- 2 have reached Stage 3: “Deliver” (projects are operational).
- 3.7 £49.0 million of Government money was drawn down in the 2018/19 financial year for the first projects to be approved: the Bayes Centre, National Robotarium Edinburgh Futures Institute, Edinburgh Living and the Sheriffhall Roundabout Upgrade. Grant allocation for 2019/20 is £50.73 million.
- 3.8 Significant progress has been made in establishing the new Governance Structure. At the time of publishing the Annual Report, the Joint Committee had approved eight business cases and seven project propositions, worth £704 million or 53% of the 15-year programme; the Regional Enterprise Council has been established and is taking an active role in ensuring that the benefits of the Deal flow to the region’s communities and businesses; and thematic boards are meeting to set the strategic direction across Data-Driven Innovation, Skills, Transport and Housing themes.
- 3.9 Regional Partners are working with Government on a Monitoring and Evaluation Framework that will track the progress and impact of City Region Deal projects. The framework is programmed for consideration by the Joint Committee in December 2019.
- 3.10 Progress on more specifically focussed East Lothian projects are as noted below:

**Edinburgh Innovation Park – Queen Margaret University**

- 3.11 On 26th March 2019, the Council’s Planning Committee approved a minded to grant decision for Planning Permission in Principle for development of land (116.5 hectares) adjacent to the Queen Margaret University campus (“MH1”). The key components of the development include 1500 homes, a new primary school, the provision of community facilities, a state of the art, flexible 7,200 sq m Food & Drink Innovation Hub and a wider Edinburgh Innovation Park site (“EIP”), in which the Innovation Hub will be located. The plans include improvements to the junction off the A1 at QMU as well as the creation of pedestrian and cycle routes, including the Council’s Segregated Active Travel Corridor.
- 3.12 The Council and QMU, working in partnership, will bring forward the development of the Innovation Hub and the wider EIP. The Innovation Hub will build on existing expertise already in existence at the University including Dietetics, Nutrition and Biological Sciences.
- 3.13 The Innovation Hub will drive company growth, supporting and developing existing businesses and creating sustainable new businesses to access a global market for healthy and functional food. The development will allow the Queen Margaret University along with businesses, to form and grow a business sector that will harness the potential of translational medicine in food and drink. This will in turn support the diversification of the food and

drink industry towards preventative, therapeutic and rehabilitative applications of expertise in genomics.

3.14 The Innovation Hub will be the catalyst for subsequent phases of the wider EIP which will provide resources for national and global players who want to access the expertise available and develop new opportunities and solutions to drive company growth.

3.15 EIP: Headline Achievements in 2018/2019

- Jun 2018: Agreed the Innovation Hub outline business case:
- Jun 2018: Appointed the Project Lead Officer:
- Mar 2019: Completed the land assembly for the Junction:
- Apr 2019: Detailed design for the proposed grade separated Junction agreed:
- May 2019: Planning permission for the Junction submitted and validated:
- Sept 2019: S75 for the Planning permission in Principle concluded.

3.16 EIP: Next Milestones

- Oct 2019: Planning permission in principle issued for the whole development
- Oct 2019: Planning permission issued for the Grade Separated Junction
- Apr 2020: Commencement of construction of Grade Separated Junction
- June 2020: – Approval of full business case

3.17 EIP: Outline construction dates

*Phase 1 – Innovation Hub Building*

- Jul 2020: Design brief for EIP Phase 1
- Dec 2020: Planning application
- June 2021: Procurement
- July 2021-23: Infrastructure/Construction
- Aug 2023: Occupancy/Operational

*Phase 2 – Wider Innovation Park*

- 2020: Market testing
- Oct 2021: Planning & Development starting with the PiP
- Nov 2022: Car park relocation & Infrastructure
- May 2023 - ongoing: Construction
- Nov 2023 - ongoing: Occupancy/Operational

**New Settlement / Cockenzie**

3.18 The new settlement is a unique opportunity for East Lothian to provide a new sub-regional town centre, new strategic and local employment opportunities and a new hub for the communities of the former East Lothian



coal field. An initial phase of development is underway, comprising 1,600 homes and 10 hectares of employment land. Ongoing collaborative and technical work is seeking to demonstrate how an expansion of the new town can be enabled through partnership working and business case development. Over the next 30 years there is potential to significantly increase job density and to deliver significantly more homes as well as new education and community facilities. Other infrastructure enhancements may include new strategic transport and digital connectivity, including enhancements to the East Coast Main Rail Line as well as a new and enhancements of existing A1 interchanges. An Area Design Framework is being developed in collaboration with landowners and developers in the area.

- 3.19 The Council-owned former Cockenzie Power Station Site is defined in National Planning Framework 3 (NPF3) as a National Development for thermal generation and carbon capture and storage. NPF3 also identifies that this site has potential for renewable energy related development potentially including an associated port. The site has frontage to the Firth of Forth and a jetty. This site offers a connection to the national grid. There are plans to use part of the site to enable off-shore renewable energy projects, and wider technical work is on-going in relation to the potential for port / cruise and there may be scope to consider other mixed use development of national significance too, perhaps linked to regional collaboration through the Edinburgh and South East City Region Deal (e.g. Skills and Construction Innovation) or beyond this. The ambition is therefore to seek a relaxation of National Development status to provide for a wider range of land uses. The Cockenzie Project Manager continues to respond to queries and engage with stakeholders and potential investors.
- 3.20 This major area of change commands a strategic location to the east of Edinburgh and is adjacent to UK cross-border connections to the north east of England. These strategic development opportunities mean this area could become a '*destination, attractor and resilient economic driver*' for East Lothian, south East Scotland and Scotland as a whole. The intention is to promote this ambition as a new national development within the Scottish Minister's National Planning Framework 4 (NPF4) as '*An area of Opportunity and Co-ordinated Action*'. The emerging Vision and Unique Selling Point for this sub-regional area is that it become an '*influential, innovative, healthy and low and zero carbon place*'. The development of NPF4 is already underway, and it is anticipated that a draft will be published in summer 2020.

### **Annual Conversation – 12 September**

- 3.11 The Annual Conversation was chaired by Jonathan Pickstone – Deputy Director and Joint Chair of the Scottish City Region Deal Delivery Board at the Scottish Government. Rebecca Hackett represented the Scotland Office at Deputy Director level, and the UK Government was represented

by Donald Bogle, Senior Policy Advisor, Devolution Strategy, Cities & Local Growth Unit.

- 3.12 Andrew Kerr and Angela Leitch (Current chair and vice chair of the Executive Board) represented the City Region Deal, alongside Hugh Edmiston (Higher and Further Education consortium), Hugh Dunn (Accountable Body) and colleagues from the Programme Management Office.
- 3.13 At the Annual Conversation, both Governments indicated that they were encouraged with the progress made within the Deal.

The main strengths identified were:

- The comprehensive business cases that have been approved;
- the work of the Programme Management Office, together with Government so far in developing the inclusive growth and monitoring and evaluation framework;
- the work of the Accountable Body in establishing systems to ensure that money is able to flow effectively from Government to the Accountable Body to partners; and
- the symbiotic relationships that the Deal is helping to create and strengthen.

Areas that require more focus and attention include:

- Improving communications on the progress of the City Region Deal to business communities and the general public; and
- developing the Regional Growth Framework to ensure that there is a consistent regional approach to Planning, Housing, Transport and Economic Development in line with the latest Government policy.

### **Regional Growth Framework**

- 3.14 Regional partners are also developing a Regional Growth Framework and accompanying Regional Spatial Strategy to inform the Scottish Government's National Planning Framework 4 and Strategic Transport Projects Review 2 by the summer of 2020. This will also set the strategic direction for regional partners to work together to accelerate inclusive growth outcomes through the emerging City Region Deal programme, and across related housing, planning, transport and economy policy areas. The project brief for this was approved by Joint Committee on 3 September. The development of a Regional Growth Framework is expected to take until June 2020 and would be reported to each constituent authority for their consideration.
- 3.15 The City Region Deal document, noted and approved in advance on 28 June 2018 ahead of formal signing by the First Minister, Prime Minister and regional partners on 7 August 2018, identified new and more collaborative ways that regional partners would work with UK and Scottish Governments to deliver transformational change to the city regional

economy. The Deal document noted that the governance bodies within the Deal, notably the Transport Appraisal Board and Regional Housing Board, would work closely with Government to influence and formalise any future regional partnership working which might emanate from the moves to Regional Economic Partnerships as well as land use planning aligning with the outcomes of parliament's consideration of the Planning Bill.

- 3.16 Section 5 of the 2019 Planning Act includes a new duty for a planning authority or authorities to produce regional spatial strategies which identify the need for strategic development, which outcomes it will contribute to priorities for delivery and proposed locations which are to be shown in the form of a map or diagram and be subject to consultation with stakeholders and the public. These do not require to be approved by Scottish Ministers though are subject to consultation and engagement processes. Section 5 additionally provides that the National Planning Framework is to have regard to adopted regional spatial strategies.
- 3.17 In response to the success of the City Region Deal collaboration combined with uncertainty over planning and transport at national and regional scales (e.g. Ministerial Rejection of SESplan SDP2 on 31 May 2019), the City Region Deal Political Leaders recommended that officers develop a proposition outlining a regional framework for growth which would align to the regional spatial strategy. This recommendation recognised the need for the region to take a holistic, joined-up approach across transport, planning, housing and economic development.
- 3.18 The interdependence between local partners has never been greater, with increased mobility of workers and people choosing to live, work and invest in locations across the region irrespective of local authority boundaries.
- 3.19 Recognising this interdependence, the Edinburgh and South East Scotland City Region Deal Joint Committee, comprising the political leaders from the six local authorities (City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian); a representative from the Further and Higher Education Consortium; and representatives from the private and third sectors (as chair and vice-chair of the Regional Enterprise Council) approved a Regional Growth Framework report at the Joint Committee meeting on 3 September 2019.
- 3.20 The report outlines an approach to deliver greater alignment across economic development, housing, planning and transport under a set of simpler governance arrangements to deliver a streamlined approach to regional planning, housing, transport and economic development to manage growth and maximise regional inclusive growth outcomes.
- 3.21 Work to date has been developed iteratively with input from Directors and Chief Executives from the six local authorities; SESPlan Joint Committee; the Regional Enterprise Council; Scottish Government; and Scottish Enterprise. Regional partners, Government and agencies will continue to work collaboratively to co-produce the Regional Growth Framework.

- 3.22 At the ESESCRD Joint Committee meeting, it was agreed that a project team would be established to commence the project in September initially running for 10 months up to June 2020. It is intended that the Regional Growth Framework informs key local, regional and national policy developments including the next National Planning Framework (NPF4). The Regional Growth Framework would be reported to each constituent authority for their consideration.
- 3.23 On 2 October, the SESplan Joint Committee agreed that the SESplan Officer Board would act as a strategic spatial planning consultative board in respect of progressing a Regional Growth Framework, Regional Spatial Strategy and informing NPF4. This will complement the Regional Housing Board and Transport Appraisal Board constituted as part of the City Region Deal governance. These Boards will feed into the Elected Member Oversight Committee which is to be established and which will consist of two elected members per local authority area within the City Region Deal. The Elected Member Oversight Committee will oversee the Regional Growth Framework and Regional Spatial Strategy development and shall advise the City Region Deal Joint Committee.
- 3.24 Partners have identified staff to form a team to ensure that the essential disciplines are factored into consideration in an integrated and holistic manner in the development of a Regional Growth Framework. A Programme Director is, however, required to oversee the co-ordination of this work. No partner is has been able to release an officer with the experience and expertise to progress this work. It is therefore proposed that a Programme Director be recruited and that authority to do so is delegated to the Edinburgh and South East Scotland City Region Deal Joint Committee. Discussions are taking place with the Scottish and UK Governments about meeting the costs of the Programme Director.
- 3.25 The Regional Growth Framework and Regional Spatial Strategy will be inextricably linked and will align as part of a fully integrated place-based policy approach.

### **Next Steps**

- 3.26 Key priorities for the year ahead are summarised in Section 7 of the Annual Report and are copied below:

### **City Region Deal Expected Milestones until Summer 2020**

	<b>Milestone</b>
<b>Autumn 19</b>	<ul style="list-style-type: none"> <li>Shared vision and approach to Community Benefits and Social Benefits Through Innovation agreed</li> </ul>
<b>Autumn 19</b>	<ul style="list-style-type: none"> <li>Data-driven Innovation and Housing and Construction infrastructure and targeted Skills Gateways provision operational</li> </ul>
<b>6 Dec 19</b>	<ul style="list-style-type: none"> <li>Joint Committee meeting where the following items are expected to be considered:               <ul style="list-style-type: none"> <li>Dunfermline Strategic Housing Site Business Case</li> <li>Monitoring and Evaluation Framework (including Community Benefits Strategy)</li> </ul> </li> </ul>
<b>6 Mar 20</b>	<ul style="list-style-type: none"> <li>Easter Bush Business case expected to be considered by Joint Committee</li> </ul>
<b>Mar 20</b>	<ul style="list-style-type: none"> <li>The Fife Industrial Investment Innovation Programme will break ground on two sites, in Glenrothes and Dunfermline.</li> </ul>
<b>April 20</b>	<ul style="list-style-type: none"> <li>Commencement of construction of Grade Separated Junction at Queen Margaret University Food and Drink Innovation Campus.</li> </ul>
<b>Spring 20</b>	<ul style="list-style-type: none"> <li>Intensive Family Support Service pilots commence</li> </ul>
<b>5 Jun 20</b>	<ul style="list-style-type: none"> <li>Joint Committee meeting to consider business case for Edinburgh Innovation Park (Queen Margaret University)</li> </ul>
<b>Jul 20</b>	<ul style="list-style-type: none"> <li>Construction of the National Robotarium commences</li> </ul>
<b>Summer 20</b>	<ul style="list-style-type: none"> <li>All IRES Programme projects operational</li> </ul>

## **4 POLICY IMPLICATIONS**

4.1 The City Deal Agreement supports the delivery of Council priorities in respect of Growing our Economy, People and Communities as set out within the Council Plan. Deal agreement will have significant implications for the Council's Financial Strategy and its future Capital Plans. The Edinburgh and South East City Region Deal is consistent with the ELLDP 2018 and is incorporated within the refreshed Economic Development Strategy 2017-22.

## **5 INTEGRATED IMPACT ASSESSMENT**

5.1 Inclusion is a key driver for the City Region Deal, and scores have been included for each project. Business cases for projects included

demonstrate how they will reduce inequalities and tackle the inclusion challenges specific to the city region.

- 5.2 A Monitoring and Evaluation Framework is being developed for the programme, which will incorporate clear indicators to align with the Scottish Government's Inclusive Growth Framework, also under development. The impact on equalities, human rights, poverty and sustainability are also being incorporated into the framework. The framework is expected to be complete by December 2019.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial - There is no financial impact relating to the Annual Report and Annual Conversation for East Lothian Council. The Financial Statement shows that £49.0 million of Government money was drawn down in 2018/19.
- 6.2 The contribution required by East Lothian Council towards the QMU Innovation Park is approximately £10M and although this is partly provided for within the existing capital plan, a further revision to this will be required with a potential call being made upon the established Capital Fund. A city deal supported housing programme would supplement the already approved HRA Capital Investment Plan that may require some re-alignment to accelerate the further development of Blindwells.
- 6.3 The £50m predominantly private sector housing infrastructure loan fund, managed and administered by Scottish Government, is proving of limited interest to the private sector due to the commercial terms of the loan. The need for continued financial innovation and collaboration to develop new infrastructure funding and delivery models is recognised. Further discussion is ongoing with UK and Scottish Government to explore future housing and infrastructure funding and delivery options. These matters will be considered at the Regional Housing Board and reported to the Joint Committee.
- 6.5 Discussions are taking place with the Scottish and UK Governments about meeting the costs of the Programme Director to co-ordinate the development of the Regional Growth Framework.
- 6.6 Personnel - a significant amount of resource (both staffing and funding) has been spent preparing, negotiating and developing the Deal over the last 4 years across the Council. In order to best serve the Council's interests there will be a requirement to provide potentially significant resourcing to support implementation and delivery of this programme. In this context Council agreed in August 2017 to set aside up to 0.5m of Council balances for this purpose. Two Project Manager – growth delivery posts were also appointed in September 2018.
- 6.7 Other – none.

## **7 BACKGROUND PAPERS**

- 7.1 Edinburgh and South East Scotland City Region Deal – Report to East Lothian Council 11 August 2017
- 7.2 Heads of Terms Agreement signed by UK/Scottish Governments and Partner Authorities on 20 July 2017
- 7.3 East Lothian Council Summer Recess Arrangements – Standing Order 15.5 Members Library Report – Edinburgh and South East Scotland Region - City Deal Proposition 19 July 2017
- 7.4 Edinburgh and South East Scotland City Region Deal – Report to East Lothian Council 28 June 2016
- 7.5 City Region Deal Document (August 2018)
- 7.6 Annual Report – report to City Region Deal Joint Committee (September 2019) – Appendix 1
- 7.7 Regional Growth Framework Proposition – report to City Region Deal Joint Committee (September 2019) – Appendix 2

<b>AUTHOR'S NAME</b>	Douglas Proudfoot
<b>DESIGNATION</b>	Head of Development
<b>CONTACT INFO</b>	<a href="mailto:dproudfoot@eastlothian.gov.uk">dproudfoot@eastlothian.gov.uk</a>
<b>DATE</b>	14 October 2019





# Edinburgh and South East Scotland City Region Deal Joint Committee

2 pm, Tuesday 3 September 2019

## Edinburgh and South East Scotland Regional Growth Framework

### Item number

### Executive Summary

---

This report outlines a project brief to guide the production of a Regional Growth Framework.

This project brief aims to capture and define the core project objectives, scope, anticipated benefits, resource requirements and timescales to deliver a Regional Growth Framework which enables the region to manage its growth and deliver inclusive growth that benefits local communities across South East of Scotland.

The Regional Growth Framework is not in itself a Spatial Strategy but the two are inextricably linked. A Spatial Strategy will align to the Growth Framework and will follow on and flow from its production.

### Andrew Kerr

Chief Officer, Edinburgh and South East Scotland  
City Region Deal

Contact: Andy Nichol, Programme Manager,  
Edinburgh and South East Scotland City Region  
Deal

E-mail: [andy.nichol@edinburgh.gov.uk](mailto:andy.nichol@edinburgh.gov.uk)  
Tel: 0131 529 4461



## City Region Deal Checklist

Criteria	Details/Link to Document
<b>Contribution to City Region Deal commitments and Inclusive Growth Framework</b>	A Regional Growth Framework will align and support existing City Region Deal to deliver 21,000 jobs and over 45,000 homes across seven strategic sites. Delivering inclusive growth is central to the City Region Deal and a future Regional Growth Framework. The Deal alone will not address longstanding, deep-rooted issues facing the region and is therefore essential that a joined up regional policy approach is developed.
<b>Alignment, integration with, or dependence on, other City Region Deal activities</b>	A Regional Growth Framework would aim to deliver greater alignment across all City Region Deal activities with a focus on economic development, housing, planning and transport under a set of simpler governance arrangements to deliver a streamlined approach to regional planning, housing, transport and economic development to manage growth and maximise regional inclusive growth outcomes.
<b>Scale and regional distribution of expected outcomes, benefits, and leverage, from activity</b>	The scale and distribution of benefits will be fully determined with the production of a fully developed regional Growth Framework. However, the project brief aims to set out potential regional outcomes including: <ul style="list-style-type: none"> <li>• Effective response to changing demographics and implications for future economic needs</li> <li>• Inclusive economic growth and high-quality jobs</li> <li>• Sustainability</li> <li>• More affordable homes</li> <li>• Enhanced connectivity</li> <li>• Coordinated infrastructure delivery</li> </ul>
<b>Compliance with financial requirements and agreed expenditure profile</b>	A Regional Growth Framework would be compliant with the financial requirements of the City Region Deal. Any expenditure will be agreed between local, regional and national partners.
<b>Equalities Impact</b>	A fully Equalities Impact Assessment will be undertaken if a Regional Growth Framework is developed.
<b>Anticipated significant risks and mitigation measures</b>	<b>Risk - Resource</b> – to develop a Regional Growth Framework resources are required from across City Region Deal partners.  <b>Mitigation - Resource Commitment</b> – partner commitment to provide sufficient resource to deliver the Growth Framework. An indicative resource and reporting structure is outlined in Appendix 1.
<b>Alignment and fit with City Region Deal governance arrangement</b>	A Regional Growth Framework fully aligns with the existing City Region Deal governance arrangements.
<b>PMO check</b>	Complete
<b>Government approval</b>	Government comments and feedback has been incorporated into this project brief.
<b>Partner sign-off</b>	Approved by the City Region Deal Directors' Group on 1 August 2019
<b>Advisory Board sign off</b>	Approved by the City Region Deal Directors' Group on 1 August 2019
<b>Executive Board sign off</b>	Approved by the City Region Deal Executive Board on 22 August 2019
<b>PMO Recommendation</b>	That Joint Committee approves the recommendations in this report.

## Regional Growth Framework

### 1. Recommendations

---

Joint Committee is asked to approve:

- 1.1 The project brief and for officers to commence the production of a Regional Growth Framework; and
- 1.2 The governance and reporting structure outlined in Appendix 1.

### 2. Background

---

- 2.1 Throughout the process of negotiating and implementing the Edinburgh and South East Scotland (ESES) City Region Deal (2015 to 2018), partners considered the need for a new framework for sustainable and inclusive economic growth in the city region.
- 2.2 In 2017, as part of a review of Enterprise and Skills, the Scottish Government published a report on [Regional Partnerships](#), encouraging new models of regional collaboration. In the same year the UK Government published its [Industrial Strategy](#) to boost productivity, create good jobs and increase earning power with investment in skills, industries and infrastructure. Both of these key policy documents align closely to the City Region Deal objectives and ambition for the Growth Framework.
- 2.3 The City Region Deal was agreed in August 2018, and since that time the City Region and its partners have successfully worked together within a governance framework which has demonstrated successful cohesive regional partnership working, both between regional partners, and as an entity with Government, across a broad range of projects and policy areas. In the period which followed, the Joint Committee has approved eight business cases and seven project propositions, collectively worth £704 million or 53% of the 15-year programme.
- 2.4 Due to the success of the City Region Deal collaboration combined with uncertainty over planning and transport at national and regional scales, on 31 May 2019, the City Region Deal Leaders recommended that officers develop a proposition outlining a regional framework for growth.
- 2.5 This paper outlines a project brief to enable the development a Regional Growth Framework.

### 3. Main report

---

#### **Purpose**

- 3.1 The interdependence between local partners has never been greater with increased mobility of workers and people choosing to live, work and invest in locations across the region irrespective of local authority boundaries. It has never been more important for the region to take a holistic, joined-up approach across transport, planning, housing and economic development.
- 3.2 A Regional Growth Framework would aim to deliver greater alignment across economic development, housing, planning and transport under a set of simpler governance arrangements to deliver a streamlined approach to regional planning, housing, transport and economic development to manage growth and maximise regional inclusive growth outcomes.
- 3.3 The Framework would provide the region with control over the future growth of the city region and ensure it is being properly planned for the benefit of all. It can enable the region to speak with one voice and make a strong case for resources and investment. It can deliver the coordinated, strategic improvements needed to help the region respond to key national policy changes and the Global Climate Emergency to ensure that future investment supports inclusive and sustainable growth in our communities.
- 3.4 A Framework of this nature while designed and led by local authorities, goes beyond those activities and areas of focus within their direct responsibility, and recognises the need for shared ownership and delivery via an effective regional partnership model, encompassing public sector, national agencies, private sector, and third sector contributors.

#### **Context**

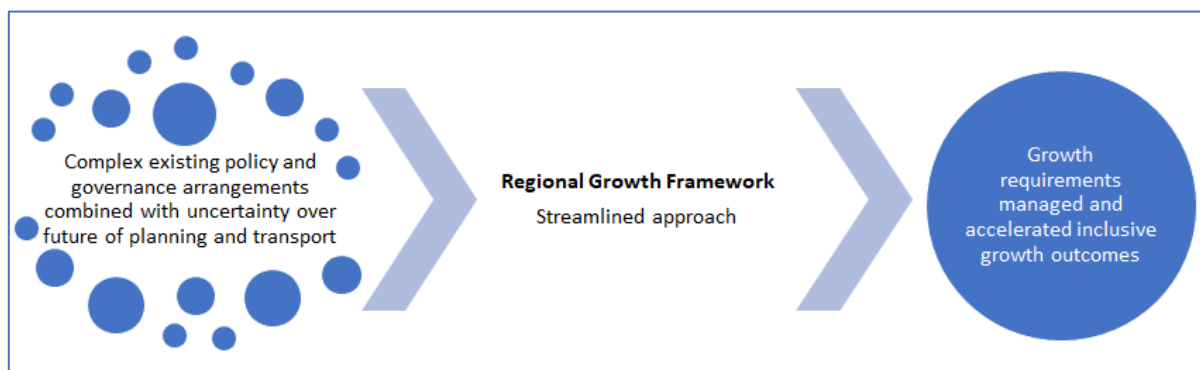
- 3.5 With a population of approximately 1.4 million people and contributing approximately £36 billion per year to the Scottish and UK economies, the city region has a strong and successful economy on which to build.
- 3.6 Drawing upon data provided by Scottish Enterprise which looks at the comparative performance and trends of Regions at a national level, the ESES city region performs at the top end across a range of indicators. For example, the region has the greatest rates of education and productivity; highest employment growth rates for men and women; the greatest growth in start-ups and mid-sized companies of any region in Scotland.
- 3.7 However, prosperity and success are not universal across the city region: both the Scottish Borders and Fife sit across more than one region with Tayside (Fife) experiencing medium growth and the South (Scottish Borders) experiencing low growth when considering comparable economic performance. Across the region, nearly a fifth of children are living in poverty; there is a lack affordable housing; and too many people are unable to move on from low wage and low skill jobs.

- 3.8 The City Region Deal aims to address these issues; it will accelerate growth, create new economic opportunities and meaningful new jobs that will help to reduce inequalities. It will invest £1.3bn and deliver 21,000 jobs and has the potential to deliver over 45,000 homes across seven strategic sites. Regional partners are working with UK and Scottish Governments on a Monitoring and Evaluation Framework that will track the progress and impact of City Region Deal projects by the end of 2019.
- 3.9 Inclusive growth is at the heart of the City Region Deal. However, the Deal projects alone cannot address longstanding, deep-rooted issues facing the region.
- 3.10 A Regional Growth Framework will clearly outline how we can join up our efforts to collectively accelerate inclusive growth, deliver new homes within vibrant communities, create new economic opportunities, and create high-quality jobs that will help to reduce inequalities.

### Why now?

- 3.11 At a time of political uncertainty and national planning and transport undergoing significant period of change, combined with the rejection of the region's strategic development plan, the time is now to collectively provide direction and confidence for our communities and businesses.

*Figure 1 – Moving from existing approach to a Regional Growth Framework*



- 3.12 A successful growth framework enabling partners to work at scale can enhance regional economic resilience in the face of current and future uncertainty and challenges.

### Strategic Overview and Core Objectives

- 3.13 At a strategic level the Regional Growth Framework would deliver a streamlined and more 'joined up' approach to regional economic growth, planning, transport, infrastructure, and housing under a collective vision and set of reformed, as appropriate, governance arrangements. Importantly, it provides a framework which supports the needs of individuals and businesses across the region, recognising the needs of communities and ensuring that future investments are targeted to increase social and economic inclusion for all.
- 3.14 The Regional Growth Framework will directly inform the production of a future Regional Spatial Strategy.

3.15 An initial list of core objectives and work requirements is listed below, these will need to be reviewed and revised subject to a future project team being established.

- **Produce a Regional Growth Framework**
  - Articulating regional economic development, planning, transport, infrastructure, and housing strategy that is evidence based, ambitious, costed and deliverable.
- **Develop a strategic vision**
  - Delivering an ambitious economic vision for regional growth supported by a robust set of underlying principles, priorities and objectives with consideration of geographies and cross-boundary relationships.
- **Align to national policy landscape**
  - Respond and align to the fluid national policy landscape and react to any changes in delivery timelines.
  - It must be designed in a manner which recognises the pace of global change, the future needs of the regional economy, the need to foster sustainability, and the need to foster inclusion.
  - A Regional Growth Framework should enable the region to actively engage, collaborate and inform the Scottish Government work on NPF4, STPR2, Climate Change and ensure that the region's economic, planning, infrastructure, transport and housing priorities are reflected nationally.
- **Review existing plans and evidence gathering**
  - Capture existing work currently being undertaken. There is a significant body of work and evidence that has already been produced and requires greater alignment. This will include capturing ongoing work and work undertaken by SESplan, SEStran and the thematic policy areas of the Deal including, housing, transport, skills and innovation. Map existing evidence, data, plans and strategies across policy areas, and establish what the region has collectively and what needs to be gathered/collated/developed including any technical work. Where areas and themes are lacking an evidence base, technical work and policy topic papers will be considered.
  - There is considerable overlap with the emerging regional housing work programme which includes workstreams with a focus on housing delivery; infrastructure and land; strategic sites; innovation and skills.
  - Collaborative working with academic partners will establish if there are potentially joint areas of work, research, development and innovation that can be undertaken to support the region's growth requirements.
  - Draw upon predicated areas of global, national or regional change to establish a direction for the region which is fit for the future.

- **Identify high-level costs and potential funding models**

- Consider the costs of delivering the strategic interventions across housing, infrastructure, transport, planning and economic development to support the region’s growth requirements.
- Work collaboratively with Government, agencies and infrastructure providers to explore funding models and delivery vehicles. This can help to ensure that activity included within the Growth Framework is deliverable.

- **Stakeholder engagement**

- Regular consultation with Government, agencies, SEStran, SESplan and City Region Deal groups and Boards.
- Active engagement with the Regional Enterprise Council, utilising their collective knowledge, challenge, and wider networks to ensure that the needs of private and third sector bodies are recognised and addressed by the Growth Framework.

### Scope

3.16 A joined up, ambitious long-term strategy can ensure that the region manages growth to maximise existing assets and create conditions to attract investment and target areas of disadvantage and inequality. It may consider the following:

- **Changing Demographics and Implications for Future Economic Needs**

- Each area within the Region predicts population growth; however, the levels of growth vary (see Figure 2).
- Understanding these changes and the implications on local communities will be essential to effectively plan and deliver the infrastructure, homes, jobs and services that will be required to support growing and changing needs.

Figure 2 – Demographic change across the region (Source: Scottish Enterprise)



- **Inclusive Economic Growth and High-Quality Jobs**

- Build vibrant economic communities across the region, spreading increased wealth and wellbeing by investing in infrastructure, assets and companies as a means of creating good jobs with value in thriving places where people want to live and work.



- Grow the region's reputation and reach in strategically important markets by bringing together assets, networks, campaigns and products
- Outlining the conditions for growth and where growth is projected to happen by building on our local and regional assets.
- Supporting our **town centres** and existing **key sectors** including retail, health care, hospitality and more.
- Attracting, creating and protecting **quality jobs** and talent.
- Consider the **distribution of key sectors and jobs** to avoid duplication across region, maximising local strengths and benefit for local communities.
- Driving research and **innovation** investment. Consider where cross boundary working on our collective assets can build on existing strengths and maximise impact for the city region.
- Creation of a regional investment prospectus, stimulating **capital investment** in the region's economy to attract new sectors in digital and tech to invest in the region.
- Investing in business growth and **resilience**. Align to the IRES programme and help to deliver the **21,000 jobs** outlined in the Deal, helping our most disadvantaged communities have the skills and ability to access these opportunities.
- Growing **export** value and the number of exporters. Consider economic opportunities at a regional scale e.g. future warehouse, distribution, industrial and retail uses, and how those end organisations maximise their global reach.
- **Maximising community benefits** from the Deal and future collaboration projects by developing a regional approach to community benefits and aligning economic opportunities with areas of disadvantage areas.
- **Joining up areas of opportunity** to transport, housing and skills provision to maximise economic return.
- **Sustainability**
  - A sustainable approach to managing growth will be a core aspect of the Framework.
  - Ensure whole of life considerations are applied throughout all areas of the Framework.
  - Consider how the Growth Framework can lead the way in Scotland's response to the Global Climate Emergency, ensuring a positive contribution to Scottish Government's Climate Change Bill and target date of 2045 for reaching net-zero emissions.
  - Consider how it can align to local sustainability, energy and low carbon plans and strategies.



- Consider vacant and derelict land use as an alternative to greenbelt development to minimise future environmental costs and impacts.
- Work collaboratively with local, regional and national partners, including academic partners, to consider sustainability impacts and interventions required to deliver a regional growth framework that delivers sustainable economic growth.
- **More Affordable Homes**
  - Accelerate the delivery and increase the supply of affordable homes across the region to deliver vibrant and sustainable communities.
  - Align to the regional housing programme and Transport Appraisal Board to facilitate the delivery of the seven strategic sites identified in the City Region Deal to deliver over 45,000 new homes across the region.
  - Incorporate the joined-up, place based approach outlined in the regional housing programme which takes a holistic approach across, infrastructure, land, finance, innovation and skills to accelerate affordable housing delivery with the ambition to incorporate innovation in construction processes.
  - Detail the scale and pipeline of housing development across the region and explore investment opportunities for construction innovation such as factories for offsite manufacturing, aligned to the **UK Government's Industrial Strategy**.
  - Integrate the regional housing pregame work on a 20-year housing delivery plan which is seeking to align to the **National Housing 2040 vision** set for spring 2020.
  - Housing need and demand is complex and relates to historical policy decisions, demographic change and projected economic growth. Housing supply is critical to provide homes in the right location to attract skilled workers and enable people to access future job opportunities. Therefore, it is essential that the Growth Framework considers the amount and type of housing that is required to meet the needs of people across the region.
  - We know that current delivery rates are insufficiently meeting demand particularly for affordable housing. Consider the existing Housing Need and Demand Assessment 2 (HNDA2) and determine if it needs reviewing and updating. Identifying the high-level costs associated with meeting need and demand.
  - Collaborate with academic partners, NHS, health and social care services, housing associations and more, to deliver the homes needed now and, in the future, to respond to an ageing population and the requirements of people with varying and complex health needs.
  - Align national and regional work on strategic transport and infrastructure e.g. STPR2 and NPF4 and outline the strategic interventions required to accelerate delivery of new homes.

- **Enhanced Connectivity**

- Consider the key strategic transport interventions that are required to accelerate housing development and economic development opportunities.
- Consider if technical modelling is required to understand the impact of growth and potential mitigations.
- Demonstrate key commuter flows across the regions key transport corridors.
- Align to work of the Transport Appraisal Board and consider a regional transport work programme.
- Work closely with SEStran to shape transport elements of the growth framework and avoid duplication of work.
- Work will closely align to the STPR2 and NPF4 process and work programmes.
- Work collaboratively with regional partners, infrastructure and utility providers to plan for the delivery of enhanced digital connectivity across the region.

- **Coordinated Infrastructure Delivery**

- Work collaboratively with partners and infrastructure and utility providers to understand capacity and condition of local, regional and national assets.
- Work collaboratively to understand partners' and providers' strategies and investment plans to coordinate efforts and minimise disruptions.
- Consider the key strategic infrastructure interventions that are required to accelerate housing development and economic development opportunities
- Consider future infrastructure funding and delivery models.
- Align to Regional Housing Programme and specifically the 'infrastructure and land' workstream.
- Work will closely align to the STPR2 and NPF4 process and work programmes.

- **Governance**

- Develop options for governance arrangements in the interim aligned to the existing City Region Deal governance arrangements which recognises the decision-making processes of the wider partnership.
- Develop future options for an established set of governance arrangements recognising elected members key role in decision making.
- Consider the status that the Regional Growth Framework and any subsequent strategy would hold.

### **Alignment and Dependencies**

- 3.17 The Growth Framework and future Regional Spatial Strategy will be inextricably linked. A Spatial Strategy will align to the Growth Framework and will follow on and flow from the production of a Growth Framework.

- 3.18 Work currently being undertaken in thematic areas of the Deal and particularly the IRES Programme; Transport Appraisal Board (TAB) and the Regional Housing Programme should inform the development of the Growth Framework.
- 3.19 The Growth Framework does not replace the local plan process. Detailed policies that reflect local circumstances and needs will continue to be developed and delivered at the local level. It will, however, be important to maximise connections between and among local community planning partnership activities to ensure, where possible, collective involvement with the high level aims set within the Framework.
- 3.20 Health and Social care; wellbeing is an important factor in achieving inclusive growth across any region as is the provision of services and places which support health and happiness. The underlying principles of wider benefit will be embedded through the Framework, but future care provision will not be specifically addressed within this model.
- 3.21 The Growth Framework will not include the development of a further regional layer of government.

#### **Anticipated benefits**

- **Joined up policy domains**, particularly across spatial planning, housing, infrastructure and economic development;
- Joined up **economic planning** to create high-quality accessible jobs across the region, helping people to reach their full potential, benefitting our most disadvantaged communities;
- Cohesive framework that **identifies unique selling points** to promote the region to leverage **further investment** and create **jobs, SME and supply chain opportunities**;
- Joined up **infrastructure planning alignment** of strategic and investment plans in collaboration with infrastructure providers leading to focused, accelerated and **co-ordinated delivery** and potential efficiency savings;
- Identification of **cross boundary opportunities** and challenges, and **shared solutions**;
- Accelerated housing delivery creating new **sustainable communities**;
- Significant **progress towards delivering 45,000 new homes** across the **seven strategic sites**;
- Maximised **regional inclusive growth** outcomes, including for those individuals with protected characteristics;
- Deepen regional level understanding of the relationship between **housing markets, labour markets, and travel to work, study and retail areas**, particularly given new and planned infrastructure investments;
- Clearly articulated **economic development priorities** at the regional level;

- More effective links between strategy and policy with **investment and deliverability**;
- Deliver **fairer distribution of the benefits of growth** and be more inclusive for all communities;
- **Accelerated delivery of greater outcomes** than could be achieved individually; and
- **Reduced cost** to deliver these outcomes.

### Proposed Timeline

3.22 It is proposed that the project commences in September initially running for 10 months up to June 2020. This timeline would ensure that the Regional Growth Framework is able to influence and inform key national policy developments as outlined in Table 1:

*Table 1 – National policy development status and timeline*

Policy Area	Status and Upcoming Change
<b>Transport</b>	<p><b>Transport Bill</b> - completed Stage 2 on 26 June 2019. Stage 3 to follow.</p> <p><b>STPR2</b> - Review being undertaken.</p> <ul style="list-style-type: none"> <li>• Evidence gathering through 2019</li> <li>• Detailed Appraisal Spring 2020</li> <li>• Reporting anticipated 2020</li> </ul> <p><b>SEStran</b> - Currently writing the brief to appoint consultants to consider stage 1 with MIR and scoping, for new strategy. Indicative dates for draft strategy are late 2021, final by 2022.</p>
<b>Planning</b>	<p>The <b>Planning Bill</b> passed Stage 3 on 20 June. LAs now required to produce regional spatial strategies.</p> <p><b>NPF4</b> published in draft by Summer 2020.</p>
<b>Housing</b>	<p><b>National Housing 2040 vision</b>. Spring 2020 – Final vision and route map.</p>

### Key Constraints

3.23 **Timescales** – the 10-month timetable for delivery is ambitious but may be required if the document is going to be able to shape and influence emerging national planning and transport policy.

## **Next Steps**

- 3.24 Subject to approval of the recommendations outlined in this report, a project team will be established, akin to that structure outlined in **Appendix 1**, and work will begin on the production of a Regional Growth Framework.

## **4. Financial impact**

---

- 4.1 There is currently no dedicated resource or budget allocated to develop and deliver the Growth Framework.
- 4.2 A proposed resource and governance structure for delivery of the Regional Growth Framework is outlined in Appendix 1.
- 4.3 Regional partners, Government and agencies will work collaboratively to co-produce the Regional Growth Framework

## **5. Equalities impact**

---

- 5.1 This report outlines a project brief; the production of a Regional Growth Framework would undertake a full equalities impact assessment. However, it is envisioned that the Growth Framework would help to:
- Manage and distribute growth to maximise regional inclusive growth outcomes;
  - Deliver the 21,000 jobs outlined in the Deal, helping our most disadvantaged communities have the skills and ability to access these opportunities;
  - Maximise community benefits from the Deal and align economic opportunities with areas of disadvantage areas;
  - Make significant progress towards delivering 45,000 new homes; and
  - Deliver fairer distribution of the benefits of growth and be more inclusive for all communities

## **6. Background reading/external references**

---

- 6.1 None.

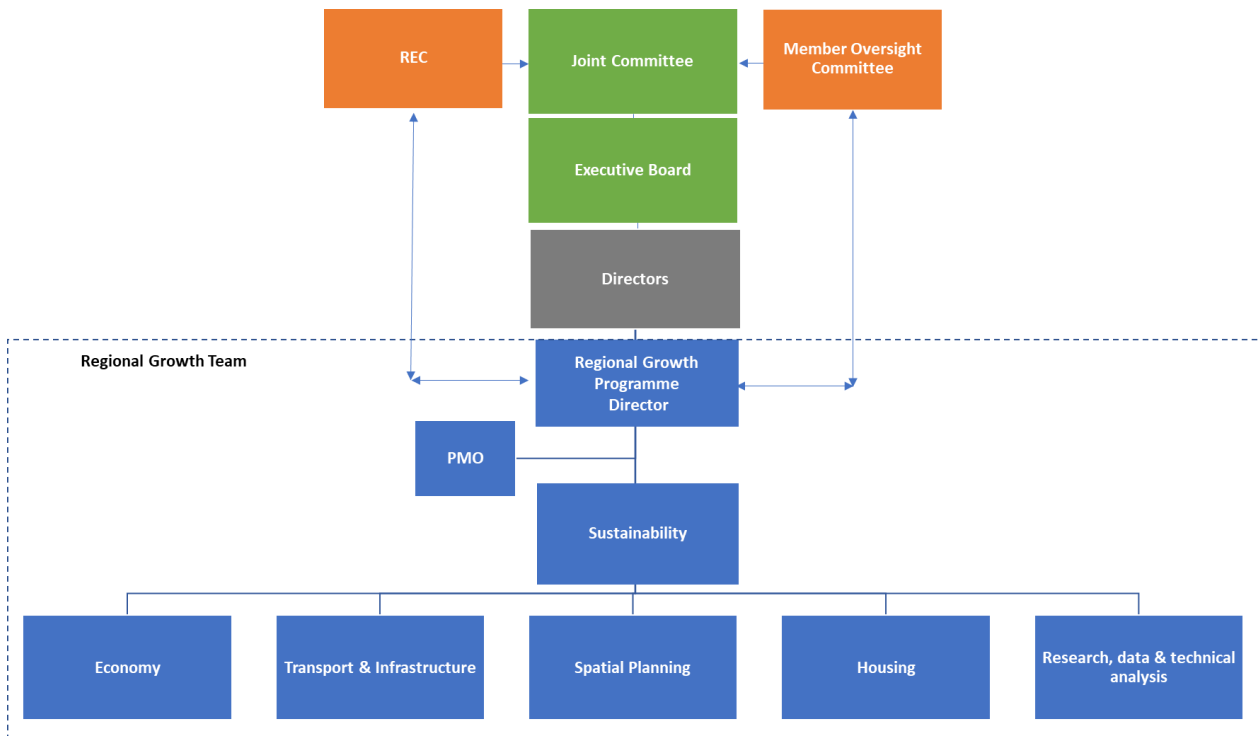
## **7. Appendices**

---

- 7.1 Appendix: A Proposed Governance Structure for Delivery

## Appendix - A Proposed Governance Structure for Delivery

An indicative regional growth project team and reporting structure is outlined below. At this early stage of project development, this is intended to be illustrative.



It is anticipated that a dedicated project team is required to work on the development of a Regional Growth Framework. As outlined above, a dedicated Programme Director would lead the project and report up through the existing City Region Deal Governance structure.

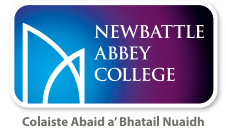
The **Regional Enterprise Council** represents private and third sector interests and will provide advice and guidance to the Joint Committee members to help shape the development of the Regional Growth Framework.

**An Elected Member Oversight Committee** will be established consisting of two elected members with relevant portfolio areas (planning, transport, housing and economy) from each local authority area. This Committee will oversee and advise the Joint Committee and guide the development of the Regional Growth Framework.

**The Scottish Government, UK Government and key agencies** are all represented on various City Region Deal groups, boards and thematic areas. It is recommended that this continues with regular engagement on the Growth Framework sought to shape the Framework jointly alongside the Directors Group.

# City Region Deal Annual Report 2018-19

EDINBURGH AND SOUTH EAST SCOTLAND  
CITY REGION





# Contents

<a href="#"><u>Executive Summary</u></a>	2
1. <a href="#"><u>Foreword</u></a>	4
• <a href="#"><u>Cllr Adam McVey, Convener, Joint Committee</u></a>	4
• <a href="#"><u>Leeann Dempster, Chair, Regional Enterprise Council</u></a>	5
2. <a href="#"><u>City Region Deal Overview</u></a>	6
3. <a href="#"><u>Financial Statement</u></a>	9
4. <a href="#"><u>Governance Overview</u></a>	12
5. <a href="#"><u>Monitoring and Evaluation</u></a>	15
6. <a href="#"><u>The Deal</u></a>	16
• <a href="#"><u>Research, Development and Innovation</u></a>	16
• <a href="#"><u>Integrated Regional Employability and Skills</u></a>	36
• <a href="#"><u>Transport</u></a>	41
• <a href="#"><u>Culture</u></a>	45
• <a href="#"><u>Regional Housing Programme</u></a>	47
7. <a href="#"><u>The Year Ahead</u></a>	50
8. <a href="#"><u>Contacts and Further Information</u></a>	51

**Publication date:** Wednesday 28 August 2019

# Executive Summary



The Edinburgh and South East Scotland City Region Deal, signed on 7 August 2018, sets out a compelling vision that builds on the city region's unique strengths to deliver a number of transformational programmes and projects across Innovation, Skills, Transport, Culture and Housing themes that will deliver a step-change in inclusive growth to benefit the city region, Scotland and the United Kingdom.

Over £1.3 billion is being invested into the city region over the next 15 years. UK and Scottish Governments will each contribute £300 million, with the remainder coming from partners: the six member authorities - The City of Edinburgh, East Lothian, Fife, Midlothian, Scottish Borders and West Lothian Councils; the city region's universities and colleges; and the private and third sectors.

This annual report summarises progress for the first year of the programme. Of the 24 projects and programmes within the City Region Deal:

- 9 are classified as Stage 1: "Define"
- 13 have reached Stage 2: "Implement"
- 2 have reached Stage 3: "Deliver"

£49.0 million of Government money was drawn down in the 2018/19 financial year for: the Bayes Centre, National Robotarium, Edinburgh Futures Institute, Edinburgh Living and the grade separation at Sheriffhall Roundabout. This is expected to significantly increase for 2019/20 as projects progress towards delivery.

Significant progress has been made in establishing the new Governance Structure. Ten Boards are now fully-formed and meet as required. The Joint Committee has approved eight business cases and seven project propositions, worth £704 million or 53% of the 15-year programme; the Regional Enterprise Council is actively shaping the emerging regional growth framework and community benefits programme; thematic boards are meeting to set the strategic direction across Data-Driven Innovation, Skills, Transport and Housing themes; and Programme Management Office resources have been enhanced to manage the emerging programme.

Looking ahead towards 2019/20, significant developments are expected, including:

- **Projects:**
  - construction at Dunard Centre, Central Borders Innovation Park, two industrial estate generation sites in Fife and of homes in several of the strategic housing sites; and
  - piloting skills projects in Housing and Construction Infrastructure, Data-Driven Innovation, and Intensive Family Support.
- **Monitoring and Evaluation:**
  - Regional Partners are working with Government on a Monitoring and Evaluation Framework that will track the progress and impact of City Region Deal projects. Partners aim to have the framework agreed by the end of 2019.
- **Regional Growth Framework:**
  - Regional partners are also developing a Regional Growth Framework and accompanying Regional Spatial Strategy to inform the Scottish Government's National Planning Framework 4 and Strategic Transport Projects Review 2 by the summer of 2020. This will also set the strategic direction for regional partners to work together to accelerate inclusive growth outcomes through the emerging City Region Deal programme, and across related housing, planning, transport and economy policy areas.

# 1. Foreword

**Cllr Adam McVey**

**Convener of the Edinburgh and South East Scotland City Region Deal Joint Committee**

Together with regional partners, the First Minister of Scotland and Prime Minister of the United Kingdom, I signed the Edinburgh and South East Scotland City Region Deal on 7 August 2018. The City Region Deal brings together, the Scottish Government, the UK Government, six local authorities, four universities and six colleges in a partnership to accelerate sustainable and inclusive economic growth across the region. Over £1.3 billion will be invested over the next 15 years across the themes of innovation, skills, transport, culture and housing to help realise this ambition.



The Deal signing was the culmination of several years' hard work identifying challenges and opportunities, developing an effective response, and shaping the business cases and governance structure that articulates how we will implement our ideas. As the first Convener of the Joint Committee, I am delighted to have seen the partnership continue to strengthen and progress throughout the first year of implementation and delivery.

Since the signing our Deal, the Joint Committee has approved eight programme and project business cases and seven skills project propositions worth £704 million or 53% of the 15-year programme.

The investment through the City Region Deal will deliver a real difference to communities across the region. The Deal will create around 21,000 jobs; it will promote world-leading research, development and innovation in our universities and new employment hubs; it will develop a skilled workforce to meet demands in emerging sectors, initially focusing on data and construction, and help tackle the inequalities that exist in some of our industrial sectors. The Deal enables the first purpose-built music venue Edinburgh for 100 years with Dunard Centre; it will improve regional transport infrastructure; and it will enable the construction of much-needed new housing, including affordable housing. Inclusion is at the heart of the Deal; while we are boosting our engine for economic growth, we are working hard to ensure that the benefits of this growth are shared by all our citizens throughout Edinburgh and South East Scotland.

## Leeann Dempster

### Chair of Regional Enterprise Council

As Chair of the Regional Enterprise Council (REC), I am delighted with the progress that has been made in Year 1 of the City Regional Deal.

The Regional Enterprise Council was formed in November 2018, and is here to advise the Deal's decision-making body, the Joint Committee, on the delivery of projects across the region. Alongside Vice Chair Claire Pattullo of the Edinburgh Social Enterprise Network, I sit on the Joint Committee.

While the REC is not decision-making body, it has a significant role in shaping strategic direction and supporting the implementation of the Deal to ensure that the benefits flow to our region's businesses and communities.

An early win will be the joint work with partners on a new regional growth framework, to provide the economic resilience that is much needed by our businesses and third sector organisations in the face of current and future uncertainty and help position the region to more effectively exploit future inclusive growth opportunities and maximise the value of City Region Deal investments.

With a climate emergency recently declared, sustainable place-making must be at the heart of new developments that will come through over the next 15 years of the Deal. Housing must be of the highest standard; there must be excellent public and active travel links; Fair Work practices must become commonplace, and new developments must be thought of as communities from the outset with residential, work, health and education amenities all accessible.

We are also pleased to see that a pro-active and coordinated approach to securing community or social benefits from partner activities has been agreed. This will strengthen and simplify the process for organisations bidding for tenders and ensure that a big difference can be made to our communities most in need. We look forward to working with local authorities and universities and colleges as we shape the emerging community benefits strategy.

By working together, we can deliver the coordinated, strategic improvements needed to help the entire South East of Scotland achieve its full potential.



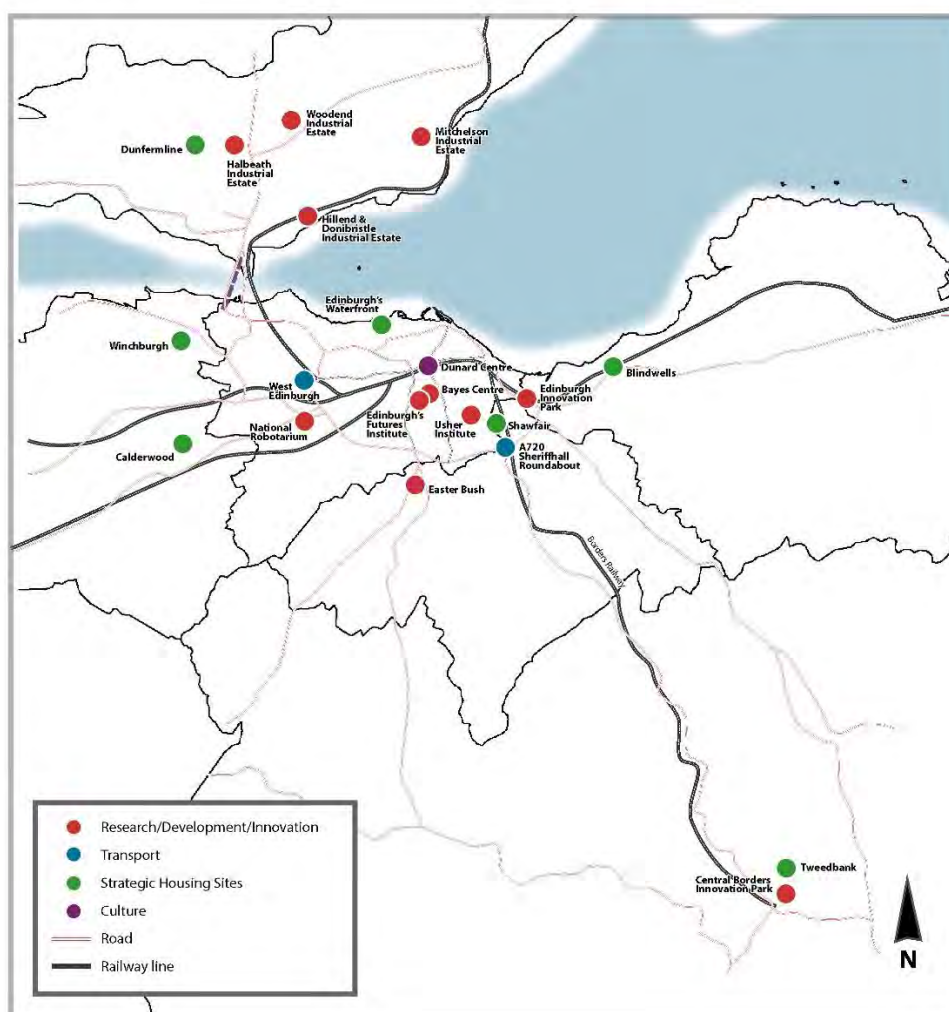
## 2. City Region Deal Overview



The Edinburgh and South East Scotland City Region Deal is a £1.3 billion, 15-year programme aimed at driving productivity and reducing inequalities through five key themes:

- Research, Development and Innovation: £791 million
- Integrated Regional Employability and Skills: £25 million
- Transport: £156 million
- Culture: £45 million
- Housing: £313 million

The map below shows where the projects are located across the region:



The City Region Deal projects are listed in the table below. More detail on the projects can be found within the Deal Document, and, if published, its business case.

**Summary of Programmes and Projects**

Theme/Programme/Project	Location	(Expected) Business Case Approval	Stage	On Time?	On Budget?
<b>Research, Development and Innovation</b>					
World Class Data Infrastructure	Edinburgh/ Midlothian	<a href="#">Dec 18</a>	2. Implement		
Bayes Centre	City of Edinburgh	<a href="#">Dec 18</a>	3. Deliver		
National Robotarium	City of Edinburgh	<a href="#">Dec 18</a>	2. Implement		
Edinburgh Futures Institute	City of Edinburgh	<a href="#">Mar 19</a>	2. Implement		
Usher Institute	City of Edinburgh	<i>Sep 19</i>	1. Define		
Easter Bush	Midlothian	<i>Dec 19</i>	1. Define		
Edinburgh Innovation Park (Food and Drink Innovation Hub)	East Lothian	<i>Jun 20</i>	1. Define		
Fife Industrial Innovation Investment	Fife	<a href="#">Mar 19</a>	2. Implement		
Central Borders Innovation Park	Scottish Borders	<a href="#">Mar 19</a>	2. Implement		
<b>Integrated Regional Employability and Skills</b>	<i>Cross-Regional</i>	<a href="#">Dec 18</a>	2. Implement		
• <i>Integrated Knowledge Systems</i>	<i>Cross-Regional</i>	<a href="#">Jun 19</a>	2. Implement		
• <i>Labour Market Analysis and Evaluation</i>	<i>Cross-Regional</i>	<a href="#">Jun 19</a>	2. Implement		
• <i>Integrated Employer Engagement</i>	<i>Cross-Regional</i>	<a href="#">Jun 19</a>	2. Implement		
• <i>Intensive Family Support</i>	<i>Cross-Regional</i>	<a href="#">Mar 19</a>	2. Implement		
• <i>Data-Driven Innovation Skills Gateway</i>	<i>Cross-Regional</i>	<a href="#">Mar 19</a>	2. Implement		
• <i>Housing and Construction Infrastructure Skills Gateway</i>	<i>Cross-Regional</i>	<a href="#">Mar 19</a>	2. Implement		
• <i>Workforce Mobility</i>	<i>Cross-Regional</i>	<a href="#">Jun 19</a>	2. Implement		
<b>Transport</b>					
West Edinburgh	City of Edinburgh	TBC	1. Define		
A720 (Sheriffhall Roundabout)	City of Edinburgh/ Midlothian	TBC	1. Define		



<b>Culture</b>					
Dunard Centre	City of Edinburgh	<a href="#">Dec 18</a>	2. Implement		
<b>Housing</b>					
Affordable housing programme	Cross-regional	TBC	1. Define (and 3. Deliver)		
Strategic sites	Cross-regional	TBC	1. Define (and 2. Deliver)		
Innovation and skills	Cross-regional	TBC	1. Define		
Infrastructure, funding and land assembly	Cross-regional	TBC	1. Define		
Housing company	Cross-regional	TBC	3. Deliver		

### Legend:

#### Project Stages

Stage no.	Definition
1. Define	Business case being developed, and not yet approved by Thematic Board and Joint Committee.
2. Implement	Business case has been approved by Thematic Board and Joint Committee, and is being implemented. In a capital project, this may be construction; for skills projects this may be establishing a course or system.
3. Deliver	Project is in place and monitoring and evaluation is in framework to assess if it is achieving its objectives.
4. Legacy	Project has resulted in mainstreaming or improvements to business as usual (impact) that is generated beyond the funded period

#### Red, Amber, Green

T: Status against **timeline** set out in business case/implementation plan; B: Status against **budget** set out in financial plan

RAG Status	Definition - Timeline	Definition - Budget	Action Required
Green	In line with business case/implementation plan	In line with financial plan.	No management action required
Amber	Delay is considered acceptable by PMO.	Within acceptable range.	Management action is in place by senior management to address issues, and project is being closely monitored.
Red	Delay is significant.	Outwith acceptable range.	Immediate action is required by senior management and relevant Boards as appropriate to address issues. Issues must be highlighted to Government.



# 3. Financial Statement



This transformative City Region Deal identifies new and more collaborative ways that partners will work with UK Government and Scottish Governments to deliver transformational change to the city regional economy. The Governments will jointly invest £600 million over the next 15 years and regional partners committed to adding in excess of £700 million, overall representing a deal worth £1.3 billion. A summary of the City Region Deal total over a fifteen-year period is shown in the table below:

***Edinburgh and South-East Scotland City Region Deal Financial Summary***

<b>Project</b>	<b>Scot Govt contribution (£m)</b>	<b>UK Govt contribution (£m)</b>	<b>Partner contribution (£m)</b>	<b>Total amount (£m)</b>
Research, Development and Innovation	60.00	290.00	441.12	791.12
Bayes Centre	2.24	30.31	68.50	101.05
National Robotarium	1.43	21.04	-	22.47
Edinburgh Futures Institute	2.24	55.68	131.38	189.30
Usher Institute	0.73	48.46	35.40	84.59
World Class Data Infrastructure	0.67	78.93	111.03	190.63
Easter Bush	1.27	16.10	25.23	42.60
Easter Bush Link Road	-	10.90	19.10	30.00
Food and Drink Innovation Campus	1.42	28.58	22.00	52.00
Business Innovation – Fife	35.00	-	14.43	49.43
Business Innovation – Scottish Borders	15.00	-	14.05	29.05
Total Integrated Regional Employability and Skills(IRES)	25.00	-	-	25.00
IRES	25.00	-	-	25.00
Total Transport	140.00	-	16.00	156.00
Sheriffhall Roundabout Upgrade*	120.00	-	-	120.00
West Edinburgh Public Transport Infrastructure	20.00	-	16.00	36.00
Culture	10.00	10.00	25.00	45.00
Dunard Centre	10.00	10.00	25.00	45.00
Total Housing	65.00	-	248.00	313.00

New Housing Partnership (Edinburgh Living)	15.00	-	248.00	263.00
Housing Infrastructure	50.00	-		50.00
<b>GRAND TOTAL</b>	<b>300.00</b>	<b>300.00</b>	<b>730.11</b>	<b>1,330.11</b>

*\*Includes £120m for Sheriffhall roundabout to be delivered by Transport Scotland*

The Edinburgh and South-East Scotland City Region Deal Financial Summary for the period of April 2018 to March 2019 is set out in Table 2. Total expenditure and grant claimed for the year, amounts to £46.40 million.

**Edinburgh and South-East Scotland City Region Deal Drawdown from Governments 2018-19**

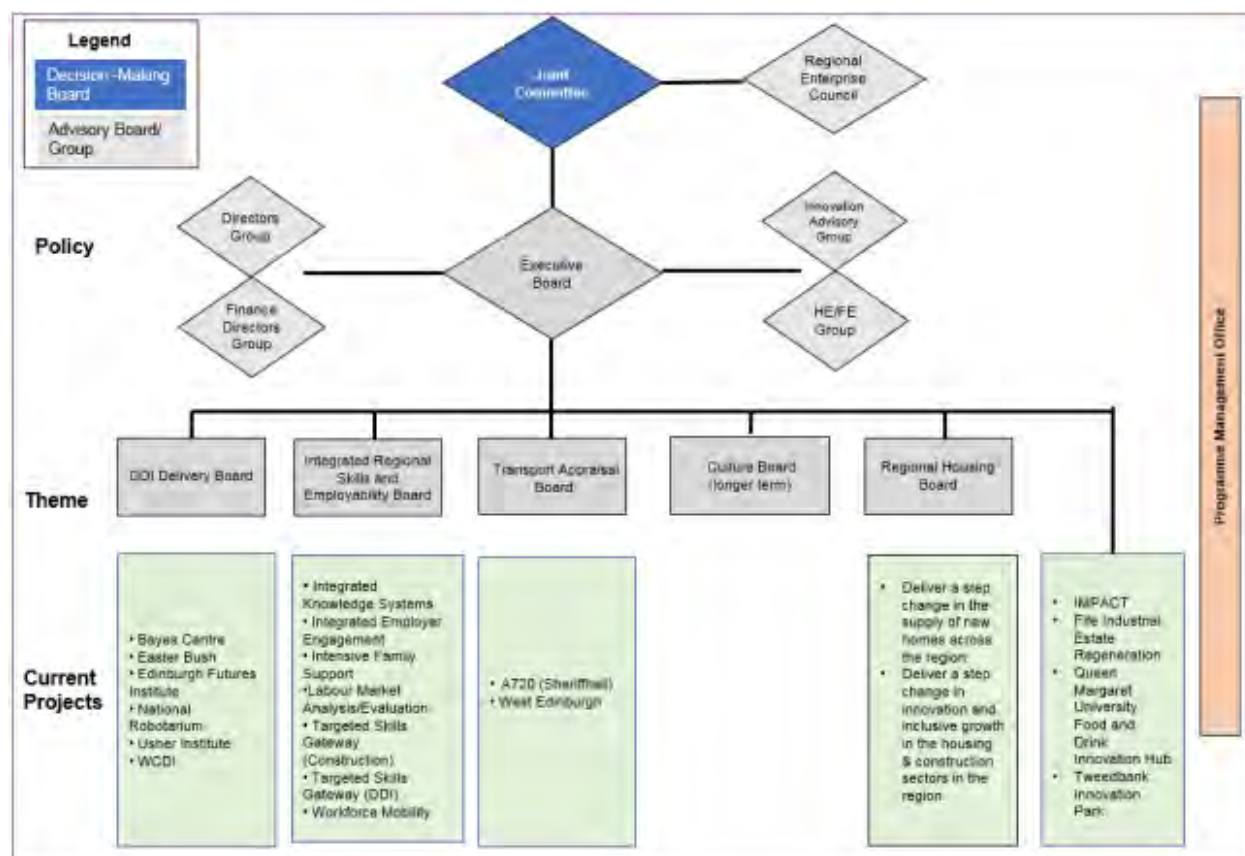
Project	Lead Partner	2018-19 Spend (£'000)	CRD Grant claimed £000	CRD Grant % claimed
Research, Development and Innovation		41,344.00	41,344.00	
Bayes Centre	U of E	22,412.00	22,412.00	68.86%
National Robotarium	Heriot-Watt/ U of E	70.00	70.00	0.31%
Edinburgh Futures Institute	U of E	18,862.00	18,862.00	32.57%
Usher Institute	U of E	-	-	-
World Class Data Infrastructure	U of E	-	-	-
Easter Bush	U of E	-	-	-
Easter Bush Link Road	Midlothian Council	-	-	-
Food and Drink Innovation Campus	East Lothian Council / QMU	-	-	-
Business Innovation – Fife	Fife Council	-	-	-
Business Innovation – Scottish Borders	Scottish Borders Council	-	-	-
Integrated Regional Employability and Skills Programme		-	-	-
Integrated Regional Employability and Skills	IRES partners	-	-	-
Transport		2,600.00	2,600.00	-
Sheriffhall Roundabout Upgrade	Transport Scotland	2,600.00	2,600.00	2.17%

West Edinburgh Public Transport Infrastructure	City of Edinburgh Council	-	-	-
Culture		-	-	-
Dunard Centre	IMPACT Scotland	-	-	-
Housing		5,060.00	5,060.00	
Housing Infrastructure		-	-	-
New Housing Partnership (Edinburgh Living)	City of Edinburgh Council	5,060.00	5,060.00	33.73%
<b>Grand Total</b>		<b>49,004.00</b>	<b>49,004.00</b>	-

# 4. Governance Overview



The Deal Document, signed on 7 August 2018, included a proposed Governance Framework. The summary diagram is copied below:



The document stated that the structure will be reviewed to determine its continuing relevance by the Edinburgh Joint Committee on an annual basis as part of the Annual Report.

Much of this governance structure has now been implemented:

- The **HE/FE Group, Executive Board and Directors Group** were formed prior to the Deal’s signing and have continued to meet. The Executive Board and Directors’ Group now meet monthly, rather than quarterly as stated in the Deal Document. The **Finance Directors’ Group** has been formed and meet bi-annually.
- The **Joint Committee** was formed in November 2018, where Standing Orders were agreed. It comprises: Leaders of the six local authorities, Peter Mathieson, Principal and Vice Chancellor of the University of Edinburgh (representing all the region’s Higher and Further Education Sector), and the Chair and Vice Chair of the Regional Enterprise Council (Leeann Dempster,

Chief Executive of Hibernian Football Club and Claire Pattullo, Chief Executive of the Edinburgh Social Enterprise Network). It has now met four times and has approved eight programme/project business cases and seven skills project propositions worth £704 million or 54% of the Deal.

- Recruitment for the **Regional Enterprise Council** was completed in October 2018. The group has now met three times and is focusing on shaping the emerging Regional Growth Framework and Community Benefits strategy in particular. The group has a direct link with the Joint Committee, on which its chair and vice chair sit.
- The **Integrated Employability and Skills (IRES) Board** was formed in December 2018 and has scrutinised and approved all seven of the IRES project propositions, prior to Joint Committee approval and each are now being implemented. Headline achievements and forthcoming milestones can be found on pp. 38-42
- The **Data-Driven Innovation Executive Governance Group** was formed, in anticipation of the City Region Deal approval, in May 2018, and formally sat for the first time in August 2018. It has since scrutinised and approved four DDI Business Cases (of the six that make up the DDI Programme) prior to approval by the City Region Deal Joint Committee.
- The **Transport Appraisal Board** was formed in March 2019 and has met three times. It is the Board through which Transport Scotland engages directly with the City Region Deal projects. As well as overseeing the two City Region Deal Transport projects (A720 and West Edinburgh) it considers transport elements of other City Region Deal projects, particularly in the Housing and Innovation themes. It also provides input as a region into other regional strategic projects as appropriate; such as, the National Transport Strategy and Strategic Transport Project Review 2.
- The **Regional Housing Board** was formed in April 2019 and has met three times and oversees the regional housing programme which aims to: deliver a step change in: innovation and inclusive growth in the housing and construction sectors; and in the supply of new homes across the South East of Scotland. The Board agreed that regional partners undertake a series of workshops in June 2019 to secure wider engagement and input to shape development of the regional housing work programme. Headline achievements and forthcoming milestones can be found on pp. 49-51
- Since signing the Deal, the **Programme Management Office** has been enhanced from a core team of two individuals to five, with increasing input from project leads within partner organisations as required. This has helped the PMO to manage the rising demand of servicing new Boards, to administer progress and financial reporting of approved projects, to develop a monitoring and evaluation framework, and to manage communications. The enhanced resources, and stronger collaboration and partnership working through the City Region Deal

governance structure is also helping partners to resource emerging areas of work that are strongly linked to the City Region Deal, including a new regional growth framework and a community benefits strategy.

- The **Innovation Advisory Board and Culture Board** have not yet formed, as there has been not yet been a requirement for these. Longer term, as regional collaboration continues and links and interdependencies between projects and programmes become apparent, these Boards may be formed.

# 5. Monitoring and Evaluation



The Deal Document commits partners to producing a quarterly Risk and Performance Monitoring Reports.

Project and programme business cases that have been approved all contain key milestones and suggestions for how programmes and projects will be monitored and evaluated. In addition, a Progress Report and Risk Register is shared regularly with Government and are standing items for consideration at all Board meetings.

From Spring 2019 City Region Deal Project Leads and the PMO have worked in collaboration to develop, for Government approval, a City Region Deal Monitoring and Evaluation Plan. This is an important document for the City Region Deal as it establishes the framework for Government to monitor activities and progress towards securing outputs and impacts. Both Governments attended key workshops and were consulted and supportive of progress to date.

The next steps are:

- **August 2019:** Agree and address outstanding issues (including finalising data requirements and selecting evaluation approaches);
- **September 2019:** Identify Monitoring and Evaluation resources and governance arrangements;
- **December 2019:** Approval by Governments and Joint Committee of Monitoring and Evaluation Plan; and,
- **January 2020:** Monitoring and Evaluation implementation.

# 6. The Deal – Summary of Progress



This section summarises the themes, programmes and projects within the City Region Deal. It details the progress that has been made in line with the Implementation Plan and highlights any current risks.

Quarterly performance reports are shared between the PMO and Governments throughout the year.

## Research, Development and Innovation

### Data-Driven Innovation (DDI)

The vision for the DDI Programme is to establish the city region as the **Data Capital of Europe** by supporting SMEs and high growth companies scale, drawing in inward investment, fuelling entrepreneurship and ensuring inclusive economic growth through five (“TRADE”) activities:

- **Talent:** to meet data skills demands in the City Region, Scotland and the UK through a range of undergraduate, post graduate and CPD programmes;
- **Research:** by expanding the city region’s leading DDI research activities to meet industry and other sectors future data needs;
- **Adoption:** through increasing the practical use and adoption of DDI by the public, private and third sectors in the city region and beyond;
- **Data:** by providing the secure data storage, analytical capacity and data accessibility to underpin all DDI Programme activities; and,
- **Entrepreneurship:** enabling city region based and other entrepreneurs to develop new DDI based businesses through support in commercialising research.

The DDI Programme consists of a Programme Office and five Innovation Hubs namely the **Bayes Centre, Easter Bush Campus, Edinburgh Futures Institute (EFI), National Robotarium and Usher Institute**. The **World Class Data Infrastructure (WCDI)** complex data and analytical services will support the operation of these hubs and delivery of the ‘TRADE’ themes above.

### Headline Achievements in 2018/19

- **October 2018:** The opening of the Bayes Centre by HRH, The Princess Royal.
- **December 2018:** Government and Joint Committee approval of the Bayes Centre, National Robotarium and WCDI business cases



- **March 2019:** Government and Joint Committee approval of the Edinburgh Futures Institute business case
- Consequent build starts for all of these facilities and set up of associated TRADE activities (as detailed in the next sections of this report).

### Next Milestones

Final approval of Easter Bush and Usher Institute business cases, embedding Programme monitoring and evaluation framework and range of new and enhanced hub specific TRADE projects and programmes (again highlighted in each Hub/WCDI section).

### Key Risks

Risk	Mitigation
Significant cost and timing overruns in relation to programme implementation.	Built in adequate contingencies and applying good procurement practices.
Market requirements assumptions prove to be incorrect and/or new market opportunities emerge.	On-going market engagement and business development to address existing and emerging needs at both Hub and Programme levels.
Negative PR associated with City Deal expenditure.	Highlighting benefits of DDI to City Region citizens and communities in line with inclusive growth objectives and as part of overall programme communications and marketing.

### Alignment with Wider Programme

The DDI Programme is aligned to the City Region Deal’s Skills and Employability theme to improve citizens’ digital skills through work with schools, colleges, employers and training providers. In the village of Newbattle, seven miles south of Edinburgh, Midlothian Council has set up the first in a series of knowledge sharing schools within the city region. As a Digital Centre of Excellence, Newbattle aims to lead the sector in the use of digital technologies to educate children and create innovative learner journeys that will equip students to thrive in the digital economy.

The project feeds into wider skills innovation through a coherent curriculum from nursery upwards based on inspiring materials delivered by teachers who are confident and competent in data education. In the spirit of the City Region Deal’s partnership approach, the project is fostering productive collaborations with other city region schools, staff and students at the University of Edinburgh, local employers and other social partners.

## Bayes Centre

The Bayes Centre is the DDI Hub for Data Science and Artificial Intelligence (AI). A community of over four hundred internationally recognised scientists, PhD students, leading industry experts (from across 20 external organisational tenants) and innovation support professionals, work together across disciplines and sectors to advance data technology and apply it to real-world challenges.



*Bayes Centre Building*

The technical strengths brought together in Bayes build on academic excellence in the mathematical, computational, engineering, and natural sciences in the University's College of Science and Engineering. As part of the DDI Programme, the Bayes Centre is focused on supporting various industry sectors including Digital Technology, Space and Satellites and – in collaboration with the National Robotarium – Robotics and Autonomous Systems.

### Headline Achievements in 2018/19

Since opening in September 2018, the Bayes Centre has delivered a range of activities and outputs. These include development of a Data Ethics MOOC (Massive Open Online Courses) in collaboration with the Data Lab, supporting the establishment of the Edinburgh Hub of the Alan Turing Institute and an expanded accelerator offering by adding an early-stage start-up/incubation programme based on the ConceptionX model to the Wayra portfolio.

### Next Milestones (2019/20)

Establishing an academically mentored student internship programme around external adoption challenge projects through a “matchmaking” and delivery support service entrepreneurship pipeline and developing a “deep tech” pre-incubation academic pathfinder support strategy for academic intellectual property that requires prototyping or R&D financing to boost availability of entrepreneurship opportunities for scientists.

## Key Risks

Risk	Mitigation
Market requirements assumptions prove to be incorrect and/or new market opportunities emerge.	On-going market engagement and business development to address existing and emerging needs at both Hub and Programme levels.
Existing process and systems insufficient to respond to City Deal demands (e.g. recruitment).	Programme structure and processes in place to address.
Negative public and government perception towards automation, productivity and the future of work.	Develop communications strategy in line with and as part of overall CRD Programme communications and marketing.

### Case study: Support for business start-ups

The Bayes Centre is home to a business accelerator partnership which picks up to ten new companies for a six-month programme of mentoring in technical and commercial know-how to help their businesses take off. Working together to support these new companies and promote Scotland's credentials in tech investment are the University of Edinburgh, Scottish Enterprise, and Wayra UK - run by global telecoms giant Telefonica. The three partners provide a gateway to world-class academic expertise to allow young companies to develop and communicate their core product or service to a range of business audiences including investors.

## World Class Data Infrastructure (WCDI)

Achieving the aims of the DDI programme requires a powerful, high-capacity and flexible data infrastructure capable of responsive and secure delivery of an expanding range of complex and bespoke data and analytical services. These activities also demand a level of service (e.g. resiliency to the loss of power, redundancy of equipment to mitigate the impact of sudden failures) that is not normally required for research computing applications and is not currently supported by existing facilities.



*WCDI Computer Racks*

The WCDI consequently consists of four complementary components:

- **WCDI computer room** – a new high resiliency computer room at the Edinburgh Parallel Computer Centre’s Advanced Computing Facility to complement the other three computer rooms that are focussed on supercomputing system provision for research users;
- **Data and software infrastructure** – the underlying private cloud computing and data infrastructure to support the DDI programme. As part of this component, both Open Source and paid-for advanced data analytics and other software infrastructure will be delivered;
- **Internet of Things (IoT) infrastructure** – a regional IoT network for the City Region will be created. This part of the WCDI hub is the responsibility of the University’s Information Services Group; and
- **Regional Data Haven** – a regional data haven for local public data, sourced initially from City Region Deal partners, will be created to support a smart public data generation infrastructure.

Headline Achievements in 2018/19	Next Milestones 2019/20
<b>Dec 18:</b> Completion and approval of the WCDI Business Case by Government and Joint Committee procurement on-going.	Work with the contractor to deliver the new Computer Room 4 building and install a new ACF Data Centre network / fabric to underpin the WCDI with a world leading data network.
<b>Ongoing:</b> Procurement and commitments to maximise community benefits for City Region Deal partners	Work closely with City Region Deal Local Authorities to develop a regional data haven plan and prepare for the next phase of development of the IoT Service to enable expansion of the LoRaWAN IoT network beyond the City of Edinburgh.

### Case study: Internet of Things network

A key component of the WCDI [Internet of Things](#) (IoT) service will be a regional sensor network. An early case study of how this can be used is provided by [the ParkLife Project](#). This project is a collaboration between the University of Edinburgh and the City of Edinburgh Council. It is funded by Nesta through a grant from the Big Lottery Fund and the Heritage Lottery Fund. The aim of the ParkLife project is to understand how people use and value Edinburgh’s parks. The goal of the project is to produce an open source toolkit which will enable park managers, stakeholders and users to collect, analyse, interpret and share data that will support engagement with parks and their long-term sustainable development.



*The Meadows, Edinburgh*

## National Robotarium

The National Robotarium will be co-located on the Heriot-Watt University campus, having access to the resources of both Heriot-Watt and the University of Edinburgh. It will meet existing and future industrial need by accelerating the generation of knowledge and flow of technologies into the economy through targeted research, industry collaboration, living laboratories, and demonstrator and incubation facilities. The National Robotarium will provide state of the art facilities to co-locate researchers, engineers, entrepreneurs and educators to deliver the UK's leading international centre for the generation of new smart robotics companies.



*National Robotarium Building (Artist's Impression)*

The activities proposed build on the established partnership with University of Edinburgh through the Edinburgh Centre for Robotics.

Headline Achievements in 2018/19	Next Milestones 2019/20
<b>Jan 19:</b> Internal Governance agreed and in place	Appointment of National Robotarium leadership team
<b>Feb 19:</b> Architect-led Stakeholder Workshops	Formation of International Advisory Board
<b>Mar 19:</b> Finalised Architect Brief	Technical Design signed off by Project Executive Board
<b>Jul 19:</b> Appointment of Project Design team complete	Focussed Industry Engagement

## Key Risks

Risk	Mitigation
Recruitment and retention of UK and international academic leaders to deliver objectives set out in business case.	Heads of Schools will produce and own plan. Project Team have been empowered to drive plan as part of TRADE themes. Recruitment plans and targets monitored and reported to the University Executive. Senior management commitment to provide a stimulating and supportive working environment that allows individuals to achieve their career aspirations
The project outcomes do not integrate with University's operational processes and ways of working.	The correct stakeholders have been identified for the Project Board to represent Schools and Services. The Board includes Heads of School and Deputy Principals.

### Alignment with wider programme

The development of the National Robotarium is aligned with the strategic focus of both Universities and with the Data-driven innovation theme. The core strategic focus of Heriot-Watt University is:

*Strengthen research intensity in fields of economic and societal benefit; Provide truly global education while maintaining our Scottish roots; and Deliver excellent student experience and highly employable graduates.*

Robotics and Autonomous Systems are transforming industry and our personal lives worldwide. This cuts across all aspects of life from Healthcare to Construction, Financial Services to Agriculture. As part of the business plan we will study the industry landscape and identify areas of focus.

## Edinburgh Futures Institute (EFI)

The EFI will deliver multi-disciplinary, challenge-based DDI research and teaching through thought-leadership in cultural, ethical, managerial, political, social and technological DDI issues to transform the application, governance and benefits delivered from the use of data. It will do this by bringing together a range of academic disciplines, with external partners across financial services, cultural industries and the public sector.



*Edinburgh Futures Institute (Artist's Impression)*

Across all of the above there will be a particular emphasis on the ethical implications of big data analytics and machine learning, as well as the critical infrastructure needed to drive social, economic and cultural inclusion as defined within the five inclusive growth objectives of the City Region Deal.

Headline Achievements in 2018/19	Next Milestones 2019/20
<b>Mar 19:</b> Completion and approval of the Institute Business Case by Government and Joint Committee.	Running the first flagship postgraduate programme on Finance, Technology and Policy.
<b>Jun 19:</b> Foundation of a Baillie Gifford Chair of Ethics of Data and Artificial Intelligence.	Recruitment of business development and adoption teams.
	Piloting of entrepreneurship programmes.

### Key Risks

Risk	Mitigation
Significant cost and timing overruns in relation to programme implementation.	Build in adequate contingencies and apply good procurement practices.
EFI market requirements assumptions prove to be incorrect and/or new market opportunities emerge.	On-going market engagement and business development to address existing and emerging needs.
Negative PR associated with City Deal expenditure.	Highlighting benefits of EFI to city region citizens and communities in line with inclusive growth objectives and as part of overall programme communications and marketing.



### **Case Study: Reducing fuel poverty**

Castlerock Edinvar, Cairn and Scottish Borders Housing Associations are working with Dr Kate Carter, Senior Lecturer in Architecture, Technology and Environment, on using digital data to reduce fuel poverty in social housing. The challenge of identifying and helping those tenants who cannot afford to heat their own homes lies in bringing together complex and fragmented datasets from a range of sources. Collaboration between Architecture and Design Informatics and the three housing associations may be the key to a new, more holistic and joined up approach in tackling this pressing social issue.

## Usher Institute

The Usher Institute vision is to create a world-leading innovation hub where public, private and third sectors collaborate to enable data-driven advances in the delivery of health and social care.

This will be facilitated by the co-location of the Usher Institute’s academics and researchers with partner organisations from the public, private and third sectors, in a purpose-built Institute that will encourage interdisciplinary collaboration, transformative research, education, knowledge exchange and innovation.



*Usher Institute Building (Artist's Impression)*

Health and social care innovation at scale will be delivered by integrating the activities of clinicians, life scientists and data scientists to identify new, co-produced insights in key challenge areas. These will be passed on to health and social care providers to improve products and services, ultimately enhancing the health and wellbeing of patients. The programme will be underpinned by a comprehensive data storage repository (DataLoch) hosted by the World Class Data Infrastructure (WCDI) that will securely link all data assets from primary, secondary and social care, and can be interrogated by accredited researchers for any acute or chronic condition, care pathway or service.

The Institute will draw on Scotland’s mature and world-leading health data assets and well-established National Health Service and Scottish Government governance and data-sharing protocols.

Headline Achievements in 2018/19	Next Milestones
<p><b>Jun 19:</b> Completion and submission for assessment (by Governments and the CRD Joint Committee) of the Institute Outline Business Case</p>	<p>Complete work on the design and development of the building including moving through RIBA Stage 3 and obtaining planning and building warrant approval</p>
	<p>Development and embedding of a data skills in modern (bio-medical) apprenticeships.</p>
	<p>Alpha stage deployment of the DataLoch programme.</p>
	<p>The development of data science capability in the MBChB undergraduate medicine programme.</p>
	<p>Accelerator programme to support start-ups.</p>

## Key Risks

Risk	Mitigation
Significant cost and timing overruns in relation to programme implementation.	Built in adequate contingencies and applying good procurement practices.
NHS and Local Authority data providers cease to partner with Usher Institute.	Ensure integrity of personal data use and ensure delivery of high value outputs.
Major data loss from Usher.	Ensure adequate security precautions and limit damage via data encryption.

### Case Study: Helping patients with heart disease

Specialists at the Usher Institute have harnessed data to develop a new approach to heart disease treatment with the potential to cut hospital admissions and deliver major benefits for patients and the healthcare service. With the help of Abbott Diagnostics routinely collected data from across the region were linked to assess a new method for diagnosis and risk assessment of patients in A&E suspected of heart attacks. Researchers showed that introducing new tests into routine practice allowed better targeted treatments and improved survival rates.

This led to the break-through finding that previous blood tests were under-diagnosing heart attacks in women contributing to inequalities in treatment. With the help of linked datasets these changes have cut the hospital stay of patients coming to A&E with chest pain by a third. Beyond the city region, the research has changed how heart attacks are diagnosed, and influenced national and international guidelines.

## Easter Bush

An efficient agriculture sector is critical to social wellbeing: by 2050 world agricultural production will need to increase by 50% to feed a growing global population. By applying data technologies, that enable farmers and related industries to improve food production, digital agriculture (Agritech) will be critical to meeting this need.



*Easter Bush Campus*

The current project proposals aim to leverage the existing world-class research institutes and commercialisation facilities at Easter Bush to become a global location of Agritech excellence. To achieve this Easter Bush will work with the Bayes, EFI, Usher and WCDI hubs within the DDI programme, along with InnovateUK, Innovation Centres AgriEpi and CIEL, commercial partners, food processors, retailers and consumers.

Through innovation in data acquisition (learning from Usher Institute), storage (WCDI), analysis and interpretation – including the application of AI (with the Bayes Centre) and accessible digital delivery (with EFI) to multiple and diverse stakeholder communities - Easter Bush will provide leadership towards a sustainable food supply chain.

The resultant development on campus wide is contingent on new and improved transport infrastructure, specifically the: A701 relief road, A702 link road, improvement of the A702/Bush Loan junction and new measures to promote **and facilitate active travel**.

Headline Achievements in 2018/19	Next Milestones 2019/20
<p><b>Jan 19:</b> Completion of ground investigation survey of route of new A701 relief road and A702 link road.</p>	<p>Finalisation and submission for approval of Easter Bush Campus Outline Business Case (including preferred option for improvement of A702/Bush Loan junction and proposals for the creation of an active travel corridor with priority for pedestrians, cyclists, and public transport).</p>
	<p>Move ahead with projects to transfer DDI knowledge in Agritech (for example, the Centre for Animal and Plant Breeding and engagement with farmers through expansion of the Cool Farm Tool).</p>
	<p>Completion of option appraisal for improvement of A702/Bush Loan junction.</p>
	<p>Issue of civils management contract for the A701 relief road and A702 link road.</p>

	Completion of proposals for the creation of an active travel corridor (priority for pedestrians, cyclists, and public transport).
--	---

### Key Risks

Risk	Mitigation
Significant cost and timing overruns in relation to programme implementation.	Build-in adequate contingencies and apply good procurement practices.
Major data loss from Easter Bush.	Ensure adequate security precautions and limit damage via data encryption.
Delay in implementing the essential transport infrastructure.	Midlothian Council taking the lead in commissioning work to ensure good progress through the survey, design and construction processes.

### Alignment with Wider Programme

The Easter Bush Science Outreach Centre (EBSOC) is a purpose-built laboratory and the first of its kind in Scotland. The Centre delivers high quality science experiences for school pupils, teachers and community groups with a widening participation focus on reaching and engaging hard-to-reach audiences. All



*School pupils at Easter Bush Science Outreach Centre*

workshops/experiences are hands on and linked

to the SQA Curriculum for Excellence (and include basic DDI skills training) with ongoing consultations with primary and secondary schools and strong relationships and partnerships with the education teams of local Councils. Since it opened, in January 2018, 3000 people have taken part in an EBSOC school workshop or community outreach events. The aim is – through working with all City Regional Deal partners - to increase participation in 2019/20 across the city region area.

In addition, the provision of the essential transport infrastructure directly removes a physical barrier to major Data-Driven Innovation development at Easter Bush, thereby facilitating economic growth within the region.

## Edinburgh Innovation Park (Food and Drink Innovation Campus)

The Food and Drink Innovation Campus, known as Edinburgh Innovation Park (EIP) will be located next to Queen Margaret University, in Craighall, by Musselburgh, East Lothian

The EIP will deliver, as Phase 1, a flexible 7,200 m<sup>2</sup> GIA Innovation Hub for the food and drink sector in Scotland. The hub will build on the University's existing expertise including Dietetics, Nutrition and Biological Sciences. The Innovation Hub will be the catalyst for subsequent phases of the wider EIP.



*Indicative design of Innovation Hub/EIP*

This state-of-the-art Innovation Hub will drive company growth, supporting and developing existing businesses and creating sustainable new businesses to access a global market for healthy and functional food. The development will allow the Queen Margaret University, along with businesses, to form and grow a business sector that will harness the potential of translational medicine in food and drink. This will in turn support the diversification of the food and drink industry towards preventative, therapeutic and rehabilitative applications of expertise in genomics. The Innovation Hub will be the catalyst for subsequent phases of the wider EIP. It will provide resources for national and global players and provide access to expertise to develop new opportunities and solutions that will drive company growth.

The EIP is also part of a significant development of land adjacent to the Queen Margaret University campus which encompasses a new grade separated junction, 1,500 homes, a new primary school and community facilities. A commercial zone will also be created within the existing Queen Margaret University campus that will support the evolution of the community and the newly developed businesses

## Key Risks

Headline Achievements in 2018/19	Next Milestones
<b>Jun 18:</b> Appointed the Project Lead Officer: <b>Mar 19:</b> Complete the land assembly for the Junction:	<b>Jul 19:</b> S75 for the planning permission in principle concluded/ procure external expertise for further progression of the Full Business Case
	<b>Jul 19:</b> S75 for the planning permission in principle concluded/ procure external expertise for further progression of the Full Business Case
<b>Mar 19:</b> Planning permission in principle approved:	<b>Aug 19:</b> Planning permission in principle issued for the whole development
<b>Apr 19:</b> Detailed design for the proposed grade separated Junction agreed:	<b>Oct 19:</b> Planning permission issued for the Grade Separated Junction to improve access
<b>May 19:</b> Planning permission for the Junction submitted and validated:	<b>Feb 20:</b> Commencement of construction of Grade Separated Junction
	<b>Jun 20:</b> Approval of full business case by Joint Committee.

- Increase in the cost of project at (1) design stage, (2) contractor tendering stage, (3) during, construction of the Junction, Innovation Hub and the EIP.
- Operating costs of the Innovation Hub are higher than forecast, resulting in financial loss.
- Failure to deliver the operational business plan resulting in unoccupied business space within the Innovation Hub.

### Alignment with wider programme

- The Innovation Hub forms a key part of an ecosystem of Innovation themed projects promoted by the Edinburgh South East Scotland City Region Deal aimed at delivering inclusive growth across the region.
- The project will contribute to job density improvement for the city region and create new jobs for graduates/local people by making available infrastructure/construction opportunities and employment opportunities within the Innovation Hub and the EIP.
- The Innovation Hub will generate job opportunities through the innovation led growth of the businesses located there, and through providing access to the space, facilities and services for food and drink start-up companies/SME's and local businesses.
- Ongoing collaboration and partnership working between East Lothian Council and Queen Margaret University.
- The project will facilitate the harnessing of community benefits through the procurement

### Case Study: Fodilicious

Lauren Leisk graduated from QMU in 2016 with a BA Hons (1st Class) Business Management. At the age of 20, Lauren discovered that she had irritable bowel syndrome (IBS). She struggled to find readily available food products that were suitable for her diet and discovered a gap in the market. In September 2017, Lauren set up Fodilicious, an innovative and UK exclusive food manufacturing business providing convenient, healthy meal options following the low FODMAP diet, (IBS-friendly) helping IBS sufferers to live a better-quality lifestyle. Their products are also gluten-free and dairy-free too, effectively positioning Fodilicious in the fast growing 'free from' food market. The company has grown very quickly and is now selling through their website directly to consumers and to several food service and hospitality clients. They have outsourced production and of both their meals and snack product and are in discussions with major retailers.

Lauren engaged with the Scottish Centre for Food Development and Innovation team from QMU's Scottish Centre for Food Development and Innovation (SCFDI) who helped her to develop and launch new range of Cookie Buttons, the UK's first FODMAP friendly certified snack product.

Lauren also joined QMU's Business Innovation Zone in 2017 where she has access to desk space and business support from the on-campus Business Gateway service and the Universities Research and Knowledge Exchange Development Unit.



## Fife Industrial Investment Innovation

The Fife Industrial Innovation Investment Programme (Fi3P) is a £49.4 million, ten-year programme delivered by Fife Council. The investment will deliver new business premises and immediately available serviced land. The new business accommodation will be located within existing business clusters in mid and south Fife, adjacent to growth corridors (M90 and A92). It will facilitate more joint working between the region’s universities and Fife businesses, drive productivity and deliver higher value, skilled, permanent jobs from data driven innovation. The new industrial and commercial stock will ensure that Fife’s industrial estates provide flexible space for innovative manufacturing industries with cutting-edge digital and energy capabilities. Four sites will be developed in Glenrothes, Kirkcaldy, Lochgelly and Dunfermline over the next three years. Seven hectares of new serviced employment land will be available for private sector investment.



*New units Flemington, Glenrothes  
(Artist's impression)*

Headline Achievements in 2018/19	Next Milestones
<b>Mar 19:</b> Full Business Case agreed by Edinburgh and South East of Scotland City Region Joint Committee	<b>Q3 19/20:</b> Planning Approval for Fife Interchange, Dunfermline.
<b>Jun 19:</b> Planning Approval Flemington, Glenrothes	<b>Q3/4 19/20:</b> Tenders awarded for sites at Fife Interchange, Dunfermline and Flemington, Glenrothes.
	<b>Mar 2020:</b> Construction underway at Fife Interchange, Dunfermline and Flemington, Glenrothes
	<b>Q4 19/20:</b> Planning approvals for sites in Kirkcaldy and Lochgelly

## Key Risks

- Programme underspend due to delay with site acquisitions and /or servicing.
- Cost increases due to higher construction inflation than assumed in the Business Case, with consequent reduction in outputs.
- Changes in the wider policy environment that impact on the delivery requirements of the programme (planning, building control, environment, etc) and increase costs.

## Alignment with Wider Programme

The Fife Industrial Innovation Investment Programme will:

- Provide important investment in progressive industrial modernisation that will encourage more businesses to grow and locate within Fife.
- Support the creation/safeguarding of 1,000 skilled permanent jobs, with almost 600 short-term construction jobs.
- Attract up to £30m of further investment by the private sector.
- Facilitate the adoption of data driven innovation by Fife based organisations and wider partnership working with City Deal partners including Scottish Borders Council and the Universities.
- Contribute to a regional step-change in economic performance by balancing growth across the region – targeting areas where much-needed investment will create new jobs.

## Central Borders Innovation Park

The Central Borders Innovation Park, situated next to the Borders Railway terminus at Tweedbank, will deliver much-needed high quality business space to the Scottish Borders. Costing £29 million, the programme will stimulate business growth and associated job creation. It will enhance the area’s inward investment offer, particularly to high-value sectors, as well as assisting existing businesses to improve their competitiveness. It will also help to address inequalities in the area through providing access to better quality, higher paid jobs.



*Artist's Impression of Central Borders Innovation Park*

Headline Achievements in 2018/19	Next Milestones
<b>Jun 18:</b> Council approval of Outline Business Case	2019/20: Phase 1 construction
<b>Jan 19:</b> Council approval of Full Business Case:	
<b>Mar 19:</b> Full Business Case approved by Joint Committee and Scottish Government:	

### Key Risks

- Failure to ensure the programme has the appropriate level of funding.
- Individual projects go over budget.
- Marketing fails to attract inward investment.

### Alignment with Wider Programme

Scottish Borders Council is working with strategic partners, particularly Fife Council and the University of Edinburgh, to maximise the benefits of data-driven innovation and its potential to increase the number of innovation-active businesses, both regionally and locally. As a participant in the City Region Deal Housing, Construction and Infrastructure (HCI) Skills Gateway, the Council will look to develop new talent through utilising the construction opportunities during the build phases of the innovation park.

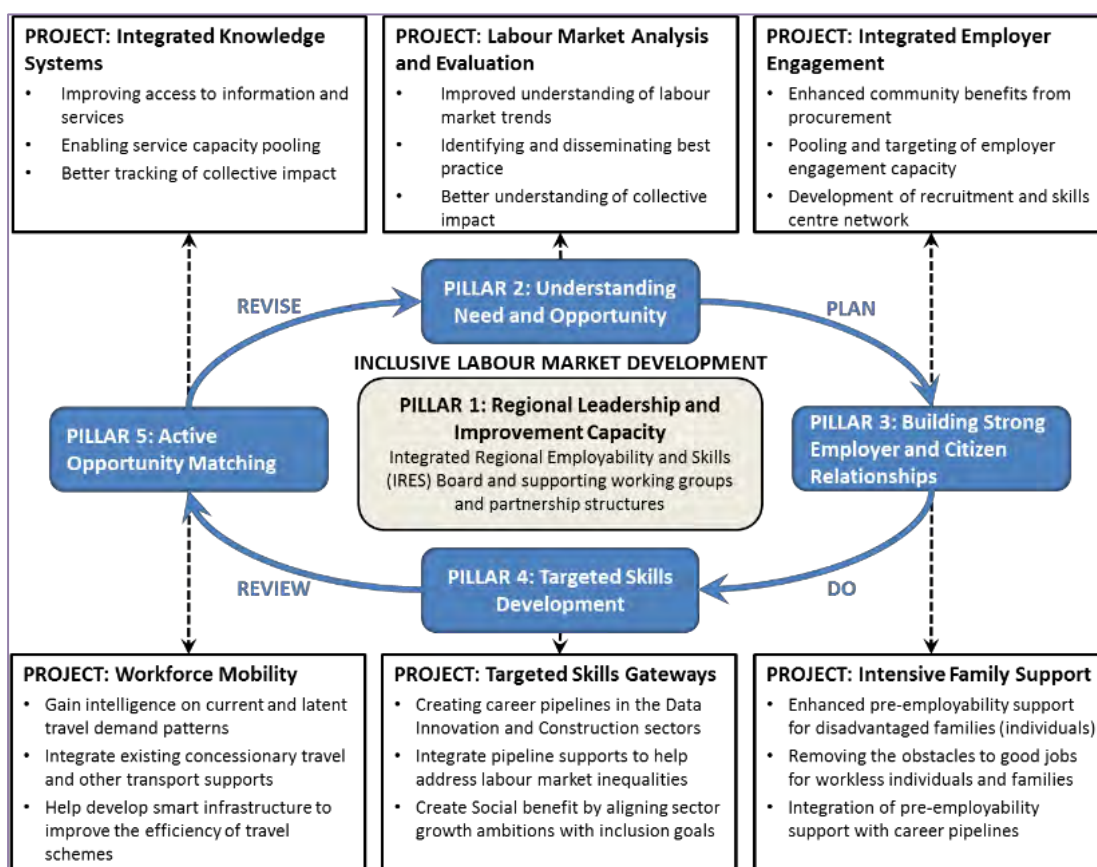
# Integrated Regional Employability and Skills

The Integrated Regional Employability and Skills (IRES) Programme and its underpinning cross-sector partnership seeks to evolve regional labour market policy and practice to help drive Inclusive Growth. It aims are to:

- Increase the visibility of opportunities and put in place tailored support to help citizens flourish with a focus on; people with a disability, the workless or working poor, disadvantaged young people, minority ethnic communities, and gender imbalances
- Open-up new and diverse talent pools to business that help minimise skills gaps and promote an inclusive approach to recruitment and workforce development
- Evolve, streamline, and integrate the region’s employability and skills system to enhance our capacity and capability to drive inclusive growth and create added value for stakeholders.

The programme focuses on five improvement pillars with seven initial projects targeting known areas of weakness or opportunity. These activities and the £25 million (over 8 years) change fund available to the partnership will deliver an additional 14,700 skill improvements and 5,300 people into employment.

## Summary of IRES Programme



## Headline Achievements in 2018/19

Phase 1: Establish	Phase 2: Programme Delivery (on-going)
<ul style="list-style-type: none"> <li>• Ratify IRES Board's remit and membership and then establish the Board along with any supporting structures and processes: Complete Nov 18.</li> <li>• (IRES Board first met in Dec 18 and initially met monthly. Since June 19 meets in a quarterly programme and project oversight development cycle.)</li> <li>• Finalise the IRES Programme Business Case with Government, ratify with IRES Board, and approved by Joint Committee: Complete Dec 18.</li> <li>• All seven proposed IRES projects developed in detail and approved by Joint Committee (Mar and Jun 19).</li> <li>• Back to back grant agreements now being finalised.</li> </ul>	<ul style="list-style-type: none"> <li>• IRES Board quarterly progress and annual review process linked to wider City Region Deal M&amp;E framework established to track progress.</li> <li>• Soft launch events for Skills Gateways:</li> <li>• Data Town: complete June 19,</li> <li>• Building Success through Diversity and Inclusion: complete July 19.</li> <li>• Project delivery structures put in place and recruitment processes initiated.</li> <li>• Tourism sector skills research completed July 19 to inform developments.</li> <li>• IRES Board reflection day planned for Nov 19 to inform next stage programme development.</li> <li>• Advisory Boards being established for major projects to ensure expert input and strategic direction.</li> </ul>

## Next Milestones: Phase 2 Programme Delivery

<p><b>Programme</b></p> <ul style="list-style-type: none"> <li>• Review intelligence from programme activity and labour market research to identify progress against targets, changes to funded activity, next step projects, service adjustments, or other changes.</li> <li>• Raise awareness of IRES ambitions and strengthen the linkages and integration with "Business as Usual".</li> </ul>	
<p><b>Integrated Knowledge Systems</b></p> <ul style="list-style-type: none"> <li>• Test the suitability of the new SDS Data Hub in supporting multi-partner client journey tracking ambitions and agree the scope of big data and visualisation pilot project.</li> </ul>	<p><b>Integrated Employer Engagement</b></p> <ul style="list-style-type: none"> <li>• Virtual regional delivery team in place to oversee developments for regional common employer offer, community benefits from procurement and social benefit.</li> </ul>
<p><b>Labour Market Analysis and Evaluation</b></p>	<p><b>Intensive Family Support</b></p>

<ul style="list-style-type: none"> <li>Planned workshop session Autumn 19 to establish a virtual team to plan, implement, and refine the labour market analysis and evaluation activities of the partnership</li> </ul> <p><b>DDI and HCI Skills Gateways</b></p> <ul style="list-style-type: none"> <li>Pilot activities commenced including HCI inclusive Advanced Skills MSc and FE accelerated into-work (e.g. bricklaying for housebuilding) pilots.</li> <li>Shared equalities and inclusion post for Skills Gateways (in partnership with EQUATE) in place.</li> </ul>	<ul style="list-style-type: none"> <li>Agree ESF match funding for regional IFS activity</li> <li>Pilot regional IFS activity co-produced, specified, commissioned and delivering activity, with ESF funding secured.</li> </ul> <p><b>Workforce Mobility</b></p> <ul style="list-style-type: none"> <li>Project team recruited and pilot projects agreed and progressing to implementation.</li> </ul>
---	---

### Key Risks

Key Risks	Mitigations
<ul style="list-style-type: none"> <li>Programme fit, cohesion, and impact</li> <li>The programme does not secure sufficient stakeholder buy-in and control to ensure an integrated set of interventions and satisfactory progress towards long term inclusive growth and system change (value for money) goals.</li> </ul>	<ul style="list-style-type: none"> <li>Robust programme management structures in place including Joint Committee and Executive Board providing strong senior level leadership and support of programme goals.</li> <li>Early establishment of an empowered IRES Board with strategic oversight and links to Scottish Government Cities team overseeing developments.</li> <li>Project working groups established to drive development and mainstreaming informed by improved labour market analysis, quarterly, annual and mid-programme evaluations.</li> </ul>
<ul style="list-style-type: none"> <li>Performance and good practice learning.</li> <li>IRES is expected to deliver significant inclusive growth impacts across the whole City Region however detailed monitoring frameworks are still being developed.</li> </ul>	<ul style="list-style-type: none"> <li>City Region Deal PMO to develop the IRES programme as a rolling programme with additional detail on activity developed as required to ensure satisfactory progress against outcomes and measure to ensure value for money.</li> <li>IRES Partnership structures and engagement communication activity will support, capture and disseminate information for mainstreaming learning.</li> </ul>
<ul style="list-style-type: none"> <li>Disadvantaged citizens and low-income families</li> <li>Disadvantaged citizens and families do not see tangible long-term benefits from the programme.</li> </ul>	<ul style="list-style-type: none"> <li>Work with the Scottish Government Cities team on developing and implementing the Inclusive Growth Framework to ensure project propositions and implementation plans detail how delivery targets will be assured.</li> </ul>

	<ul style="list-style-type: none"> <li>The Intensive Family Support Service and Workforce Mobility projects prioritize vulnerability and connect into the opportunities being made available in the region.</li> </ul>
<ul style="list-style-type: none"> <li>Availability of public finance</li> <li>Potential loss of ESF funding arising from Brexit and restraints in public sector funding eroding capacity of partners to fund essential services.</li> </ul>	<ul style="list-style-type: none"> <li>Work with the partners to quantify the potential risk and seek strategies to minimize this, accepting there will be no recourse to additional CR funding to plug such gaps.</li> <li>The costs of the projects will be delivered within the agreed cash envelope with opportunities to lever additional resources being exploited.</li> </ul>
<ul style="list-style-type: none"> <li>Private sector investment and support for inclusion cannot be achieved</li> </ul>	<ul style="list-style-type: none"> <li>Stakeholder Engagement Strategy being developed in parallel with the Business Case ensuring alignment with potential investors.</li> </ul>

### Alignment with wider programme

The IRES Programme will incrementally strengthen and streamline regional delivery to achieve better outcomes for all the region. It is aimed at supporting those people facing significant disadvantages to securing and sustaining meaningful, high quality employment- delivering better impact from existing public, private and third sector investments.

Links have already been developed between City Region Deal theme structures to identify and collaborate on boundary issues. This includes joint working with DDI Delivery Board and Housing Board on the two “Targeted Skills Gateway Projects” and the Transport Board on the “Workforce Mobility.

### Case Study 1: Data Town

The Data Education in Schools project held three 'Data Town' events in May / June 2019 which brought together young people from across the City to consider what a 'Data Town' of the future might be like.

The purpose of the day was to take learners through a series of events in an imagined 'Data Town' to explore how data can play a part in our lives and in that of our communities. The event was part of the first phase of the Data Education in Schools project aiming to support the development of a data curriculum across primary and secondary schools in the city region.

The workshops ran in three locations: Waid Academy, Anstruther, Fife; Kelso High School, Scottish Borders, and the University of Edinburgh Pollock Halls. Over 150 primary and secondary-aged pupils from twenty schools across the city region attended the workshops.

The 'Data Town' event at the University on 3 June was also the launch event for the DDI Skills Gateway. The young people had the opportunity to see the way that data-driven innovation is being used to support medical education and to research the use of robotics for elderly care.





*School children at the Data Town Event*

### **Case Study 2: Building Success Through Diversity and Inclusion: Women in Engineering, Construction and Property – June 2019**

As industry and public sector and proactively encourage women’s career pathways, this City Region Deal event, run in partnership with Hays recruitment, Equate Scotland and Edinburgh Napier University, brought together industry professionals, key stakeholders and ambassadors who are committed to help achieve these aims.

120 individuals from industry, public sector and education registered for event. Speakers included Scottish Government Cabinet Secretary for Communities and Local Government Aileen Campbell and key industry and equality and diversity champions.



*Delegates at the Diversity and Inclusion event*



# Transport

## West Edinburgh

West Edinburgh is recognised by the Scottish Government as a key national economic asset and perhaps the most important gateway to Scotland. [National Planning Policy](#) (NFP3) sets the long-term vision for development and investment across Scotland and cites West Edinburgh as a significant business investment location with potential to be internationally competitive. In recognition of its key gateway function Edinburgh Airport and adjoining land is identified as a national development.

The vision for West Edinburgh, in NPF3 can only be delivered through the investment in a strategic package of transportation improvements. These improvements include a core package of A8/A89 sustainable transportation measures that provide long term resilience and support strong connectivity between neighbouring authorities. Most importantly this will help enable the supply of labour from the surrounding area to meet the growing labour market demand required to realise the full potential for West Edinburgh.

The Scottish Government has committed £20 million for investment to support public transport infrastructure improvements identified by the [West Edinburgh Transport Appraisal](#) (WETA), and the City of Edinburgh Council has committed £16 million. Partners recognise that the WETA package currently amounts to £108 million of infrastructure. The scope of WETA will therefore be prioritised in line with this funding, and in consideration of how much funding can be secured by the private sector and developer contributions.

Headline Achievements in 2018/19	Next Milestones
<b>Summer 19:</b> Project Delivery Plan completed. This includes a phasing strategy, high level programme, project level governance and reporting structures.	<b>Dec 19:</b> Procurement of Design and Delivery consultants.
<b>Summer 19:</b> City Region Deal funded projects within West Edinburgh were prioritised; through the further development of the WETA cost attribution model,	<b>Jun 20:</b> Ongoing development of individual Project Business Cases complete.
	<b>2021:</b> Detailed design of projects, site investigations, attainment of necessary statutory powers in order to implement improvements:
	<b>TBC:</b> Procurement of Contractors
	<b>TBC:</b> Construction of Transport Improvement Projects

## Key Risks

- Failure to secure sufficient funding to carry out all transport improvements identified in the WETA.
- Difficulties in prioritising transport interventions within WETA.
- Programme underspend due to delays in consultancy work or securing funding.
- Cost increases in construction due to external economic factors.

## Alignment with wider programme

This project will eventually be procured as a construction project, and links with the Housing and Construction Infrastructure Skills Gateway will be established. The improvement of public transport provision in this area has the potential to unlock housing development opportunities and ease congestion in the corridor between West Lothian and Edinburgh City Centre.

## A720 (Sheriffhall)

The Sheriffhall Roundabout is currently the only junction on the A720 Edinburgh City Bypass that is not grade separated, which means the City Bypass is at the same level as the A7 and A6106 local approach roads. This at-grade, six-way junction, often experiences significant queuing, especially during peak hours. The Scottish Government’s commitment through the Edinburgh and South East Scotland City Region Deal includes up to £120 million to support improvements to the A720 Edinburgh City Bypass for the grade separation of Sheriffhall Roundabout. The project is being delivered by Transport Scotland and is subject to Transport Scotland’s normal governance procedures.



*Sheiffhall Roundabout*

Headline Achievements in 2018/19	Next Milestones
<b>May 2018:</b> Completion of detailed Ground Investigation works.	<p><b>Later in 2019:</b> Completion of the development and detailed assessment of the preferred option with a view to publishing draft Orders for formal comment.</p> <p>Progress on the delivery of the scheme itself can only commence when the scheme is approved under the statutory procedures and thereafter a timetable for construction can be determined.</p>
<b>Throughout 2018/19:</b> Significant progress with development and detailed assessment of the preferred option through the Design Manual for Roads and Bridges (DMRB) Stage 3 Assessment.	
<b>Throughout 2018/19:</b> Stakeholder workshops. Extensive consultation with active travel stakeholders regarding provision for non-motorised users, including cyclists in scheme proposals.	

### Key Risk

- The nature and extent of historical mine workings and/or complex ground conditions prove more onerous than identified through extensive detailed ground investigation works and adversely impact delivery programme and/or scheme cost.

### Alignment with wider programme

- Support future development in the region, including the South East Wedge development.
- Contribute towards the requirement to provide Community Benefits, in line with the requirements of the Procurement Reform (Scotland) Act 2014.
- Support wider skills development in the construction sector.

# Culture

## Dunard Centre

Dunard Centre, supported by Royal Bank of Scotland, will be a new music venue located in the heart of Edinburgh. It will sit just off St Andrew Square, behind and linked to the Bank’s historic head office, Dundas House. The project is led by a charitable organisation, IMPACT Scotland, and is supported by Dunard Fund, a long-term funder of the arts and music in Scotland.



*Dunard Centre, St Andrew Square (Artist's Impression)*

Dunard Centre will be Edinburgh’s first purpose-built music venue in 100 years and will offer world class acoustics in a 1,000-seat auditorium, together with a 200-seat studio for performance, rehearsal and recording. A range of rooms and spaces will enable substantial community outreach and education and provide for conferences. The site will be enhanced by an open foyer with café/bar facilities and opportunities for all-day music and performance. It will be the new home for the Scottish Chamber Orchestra, the only Edinburgh-based National Performing Arts Company, and a principal venue for the Edinburgh International Festival. It will make a significant contribution to the ongoing success of Edinburgh’s cultural and festival offerings.

Headline Achievements in 2018/19	Next Milestones
<b>Dec 18:</b> City Region Deal Joint Committee Approval of Business Case	<b>Q4 19/Q1 20</b> Existing building at rear of Dundas House demolished.
<b>Apr 19:</b> Planning permission granted by The City of Edinburgh Council	<b>Q1 20:</b> Completion of pre-construction services agreement with preferred contractor and receipt of tenders from principal sub-contractors.
<b>Apr 19:</b> Official naming - Dunard Centre, supported by Royal Bank of Scotland	<b>Mid 20:</b> Commencement of construction of Dunard Centre.

### Key Risks

- Potential judicial review of planning approval could cause indeterminate delay.
- Capital project risks.
- Continued site access opposition from neighbouring developers – potential to frustrate planned construction timetable.

### **Alignment with wider programme**

Through a significant period of construction, the project will add to the Deal-wide growth in employment opportunities, including the targeting of inclusive employment practices.

On completion and operation, Dunard Centre will contribute to the economic growth of the region and help protect the £300 million plus generated by the Edinburgh festivals.

As an all-day, purpose-built venue, in an accessible location, Dunard Centre will provide a range of social benefits for the community. By working with partners, the venue will provide a focal point to develop new audiences, increase participation through outreach programmes and act as a springboard for community outreach work across Edinburgh and the wider region. A wide range of programmes will inspire young people and help target groups under-represented as participants and audiences, supporting the cultural sector to build audiences which accurately reflect the diverse nature of society.

# Regional Housing Programme

The regional housing programme aims deliver a step change in innovation and inclusive growth in the housing and construction sectors; and deliver a step change in the supply of new homes across the South East of Scotland.

## Headline Achievements in 2018/19

In December 2018, The City of Edinburgh Council, National Galleries of Scotland, National Museums of Scotland, Edinburgh College, Scottish Government and Scottish Futures Trust signed a [joint agreement](#) to work together

to create a new vibrant, city quarter in Granton Waterfront, a key part of one of the seven strategic sites.

In January 2019, Winchburgh, one of the seven strategic sites, secured a [tripartite agreement](#) (West Lothian Council, Scottish Government and developer) to enable the delivery of nearly 3,500 homes.

In January 2019, Edinburgh Living, a new housing company (City of Edinburgh Council and Scottish Futures Trust) established as part of the Deal, delivered its [first wave](#) of new homes with around 1,500 new affordable homes to be delivered through the initiative over the next five years.

In March 2019, the Joint Committee approved the establishment of a Regional Housing Board with membership from the six local authority partners; Scottish Government; Scottish Enterprise; Scottish Futures Trust; Edinburgh Napier University; and the Regional Enterprise Council.

- To drive forward the work programme four key workstreams have been identified by the board:
  - Affordable housing
  - Innovation and skills
  - Strategic sites
  - Infrastructure and land
- In June 2019, regional partners ran a series of workshops with over 60 key stakeholders to explore high level opportunities and constraints and to activate further collaborative working. This feedback has been used to develop an outline regional housing work programme.
- In September, a report will be considered by the Joint Committee which outlines an ambitious regional housing work programme shaped by local, regional and national partners with input from key stakeholders.



*3,450 homes at Winchburgh unlocked agreement between West Lothian Council, Scottish Government and West Coast Capital.*

## Next Milestones

Key areas to be progressed in the year ahead under each of the four key workstreams are outlined below:

### Affordable housing

- Partners will work to develop a 20-year regional housing delivery plan in collaboration with Scottish Government to align to their ongoing work on the 2040 vision for housing in Scotland.
- Explore opportunities for new partnerships and joint ventures with public sector partners to develop sites and deliver a range of outcomes, including affordable housing.
- Consider development of new investment and delivery models to unlock private and public sector sites and accelerate delivery of affordable housing.

### Innovation and skills

- Collaboration with Government, agencies and academia to explore how the region can benefit from expertise in this field and to consider collaboration approaches and projects which can maximise the potential benefits of offsite construction.
- Link construction programmes, contractors and developers to Housing Construction and Infrastructure (HCI) Skills Gateway programme.
- Enhanced engagement with industry.

### Strategic sites

- Continue business case development for each of the strategic sites. Taken together, these sites will deliver over 45,000 new homes.
- Establish a Strategic Sites Lead Officers Group to share learning; best practice; models; and identify collaboration opportunities to leverage investment and resource.
- Develop a strong, ambitious regional vision across the seven sites demonstrating their ability to be economic drivers of change in South East Scotland.

### Infrastructure and land

- Consider formation of a Regional Infrastructure Forum comprising key infrastructure providers. It would seek to align through collaborative working a delivery plan for infrastructure that will enable, accelerate and support inclusive growth across the region, which is developed and aligned alongside future national and regional development and infrastructure strategies and investment decisions.



- Explore emerging work on an Edinburgh Land Commission. There may be scope to consider whether this model should and could be rolled out across the region or separately for each local authority area.

### **Housing company**

Thirty-three homes have been purchased by Edinburgh Living MMR LLP to date, the latest being 11 homes at the Hailesland Place development, a mix of social rent and mid-market rent homes. The next homes will be purchased at Greendykes (56) and Pennywell Town Centre (12) over the coming months.

### **Key Risks**

- The development and delivery of a successful regional housing work programme requires commitment and resource from across regional partners, national agencies and Scottish and UK Government.

### **Alignment with wider programme**

- Housing is a key social, economic and environmental driver. Greater integration across these drivers and City Region Deal policy themes is essential to support the growth requirements of the region and to deliver new communities which deliver the quality of place that ensures the South East of Scotland is a desirable place for people to live and for businesses to invest.
- Regional housing partners have developed a work programme that has synergies between work being developed through thematic areas of the Deal: IRES Programme; Transport Appraisal Board (TAB); Innovation; and the emerging Regional Growth Framework.
- Linking construction programmes, contractors and developers to Housing Construction and Infrastructure (HCI) Skills Gateway programme. Ensuring that regional skills shortages are tackled, and employment opportunities are directed to communities within the city region and that individuals facing disadvantages in the labour market are targeted.

# 7. The Year Ahead



Key milestones that are expected in 2019/20 are shown in the table below:

Date	Milestone
3 Sep 19	<ul style="list-style-type: none"> <li>Joint Committee meeting where the following items will be considered:</li> <li>Business case for the Usher Institute.</li> <li>Regional Growth Framework proposition.</li> <li>Updates from the Housing and Transport Programmes.</li> </ul>
Autumn 2019	<ul style="list-style-type: none"> <li>Shared vision and approach to Community and Social Benefits agreed</li> </ul>
Autumn 2019	<ul style="list-style-type: none"> <li>Data-driven Innovation and Housing and Construction infrastructure and targeted Skills Gateways provision operational</li> </ul>
6 Dec 19	<ul style="list-style-type: none"> <li>Joint Committee meeting where the following items are expected to be considered:</li> <li>Dunfermline Strategic Housing Site Business Case</li> <li>Monitoring and Evaluation Framework.</li> </ul>
Feb 20	<ul style="list-style-type: none"> <li>Commencement of construction of Grade Separated Junction at Queen Margaret University Food and Drink Innovation Campus.</li> </ul>
6 Mar 20	<ul style="list-style-type: none"> <li>Easter Bush Business case expected to be considered by Joint Committee</li> </ul>
Mar 20	<ul style="list-style-type: none"> <li>The Fife Industrial Investment Innovation Programme will break ground on two sites, in Glenrothes and Dunfermline.</li> </ul>
Spring 2020	<ul style="list-style-type: none"> <li>Intensive Family Support Service pilots commence</li> </ul>
5 Jun 20	<ul style="list-style-type: none"> <li>Joint Committee meeting to consider business case for Edinburgh Innovation Park (Queen Margaret University)</li> </ul>
Jul 20	<ul style="list-style-type: none"> <li>Construction of the National Robotarium commences</li> </ul>
Summer 2020	<ul style="list-style-type: none"> <li>All IRES Programme projects operational</li> </ul>
Summer 2020	<ul style="list-style-type: none"> <li>Construction at Dunard Centre commences.</li> </ul>

# Contacts and Further Information



## Programme Management Office

- **Andy Nichol** Programme Manager: [andy.nichol@edinburgh.gov.uk](mailto:andy.nichol@edinburgh.gov.uk) , 0131 529 4461
- **Mark Baillie** Lead Communications Officer: [mark.baillie@ei.ec.ac.uk](mailto:mark.baillie@ei.ec.ac.uk) , 0131 651 4297
- **David Baxter** Senior Programme Officer: [david.baxter@edinburgh.gov.uk](mailto:david.baxter@edinburgh.gov.uk) , 0131 529 3224
- **David Hanna** Senior Programme Officer: [david.hanna@edinburgh.gov.uk](mailto:david.hanna@edinburgh.gov.uk) , 0131 529 3161
- **Henna Khatoon** Lead Accountant: [henna.khatoon@edinburgh.gov.uk](mailto:henna.khatoon@edinburgh.gov.uk) , 0131 529 3225
- **Ken Shaw** Integrated Regional Employability and Skills Manager: [ken.shaw@edinburgh.gov.uk](mailto:ken.shaw@edinburgh.gov.uk) ,  
0131 529 3476
- **General enquiries:** [esescr.citydeal@edinburgh.gov.uk](mailto:esescr.citydeal@edinburgh.gov.uk)

## Further Information

- Keep up to date with the latest news and join our mailing list at [www.acceleratinggrowth.org.uk](http://www.acceleratinggrowth.org.uk)
- [Data-Driven Innovation website](#)
- Download all Joint Committee reports including approved business cases at the [City of Edinburgh Council Committee library](#) website.
- Visit the [webcast library](#) to view recordings of each Joint Committee meeting.



**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Depute Chief Executive (Partnership & Community Services)

**SUBJECT:** Naming of East Lothian's New Settlement

---

10

## 1 PURPOSE

- 1.1 To allow Council to confirm the naming process of East Lothian's new settlement and approve the short list of names that will go to public consultation.

## 2 RECOMMENDATIONS

- 2.1 It is recommended that Council approves:

- the naming process and approach as set out within the report;
- the following names for the new settlement to move forward for public consultation

Blindwells  
Charlestoun  
Hattonfield  
Hopetoun  
Muirdale  
Nethermuir

## 3 BACKGROUND

- 3.1 The new settlement will be located on a 540-hectare site between Tranent, Prestonpans and Longniddry, close to the A1 and East Coast Main Line. Planning permission has been granted for 1,600 new homes, a school, business space, shops, sports facilities and parks at the site of the former Blindwells open cast mine. The approved Local Development Plan also safeguarded land for a more significant potential expansion of the new settlement in due course. The new settlement is also one of seven sites considered to be strategically significant within the Edinburgh and South East Scotland City Region Deal.
- 3.2 The Council's vision is to see the new settlement develop into an exemplar community in which to live, work and play with mixed-tenure

housing including affordable homes, first-class facilities and amenities, local employment opportunities, combined with a vibrant landscape. It presents opportunities for inward investment and job creation. It should be a zero emissions community embracing climate change objectives pushing construction and technology innovation and embracing blue green infrastructure and biodiversity. There is expected to be significant wider improvements to local infrastructure, which includes providing more choices for walking, cycling and travelling by public transport.

- 3.2 This is a once in a life-time opportunity to name a new settlement within our county. Council officers established a process involving East Lothian schools to identify a suitable name for the new settlement. As the name Blindwells referred to the old open cast mine on part of the site for the new town, officers sought a fresh new name and viewed that this was a fantastic opportunity for the future generation of East Lothian to be involved in choosing the new town name.
- 3.3 Key parameters were established for the new town name and supporting information prepared:
  - The name should have a local connection, but given that the new settlement was a town for East Lothian the name could have a wider relevance than just the very immediate local area;
  - The name should convey a sense of place and optimism for the future;
  - A long list of possible name ideas was prepared and these were arranged around themes including local farms, landscape features, people & events, waterbodies.
- 3.4 On returning from the summer break all schools in East Lothian were provided with a pack of supporting information to assist them in choosing possible names. Given the significance of the ambition for our county's new town and the envisaged scale of benefit to the county as a whole all of East Lothian schools were involved.
- 3.5 Packs included a 4 page A4 document giving background to the new town project, a large scale map setting out site location plus the long list of potential names. These were issued to primary and secondary schools for discussion with each school's pupil councils or a similar representative group of pupils if pupil council for that year has not yet been formed. Each school was asked to submit their three favourite names, either from the long list or their own suggestions, or a mix of both.
- 3.6 A photocall was organised on Friday 6 September 2019 with pupils from Preston Lodge taking the prominent role in publicly launching the naming process.
- 3.7 Responses were received from 28 of the 40 schools.

- 3.8 A panel consisting of cross party elected members and senior officials was established and met on the 8 October 2019 to consider school responses. The meeting considered all of the submissions and determined the following names as the most popular and suitable and that these names be submitted in a report to East Lothian Council to confirm selection for a further wider public consultation exercise.

Charlestoun  
Hattonfield  
Hopetoun  
Muirdale  
Nethermuir

- 3.9 The panel meeting also agreed that in the light of representations received Blindwells should also be included.
- 3.10 The panel meeting agreed that a public consultation exercise should be facilitated through the Council's consultation hub and supported by the Council's "Living" publication. The article that will be incorporated within the "Living" publication will go to each household in East Lothian at the end of November and include a return slip allowing each household an opportunity to submit their preferred selection
- 3.11 The panel will meet again to consider the results of the public consultation process alongside responses from schools already received and determine its recommendation to Council. East Lothian Council at its meeting of 10 December will decide the name of the new settlement.
- 3.12 The naming process of the new settlement is set out in full below:
- East Lothian School consultation – September 2019
  - East Lothian Council at its meeting of 29 October 2019 approves short list of names for wider public consultation
  - Period of digital public consultation (to) (from) on the Council's consultation hub complimented by consultation through East Lothian Council's "Living" publication sent to each household in East Lothian at the end of November.
  - East Lothian Council at its meeting of 10 December 2019 will decide the name of the new settlement.

#### **4 POLICY IMPLICATIONS**

- 4.1 The new settlement is a key strategic site supporting the Council priorities in respect of Growing our Economy, People and Communities as set out within the Council Plan, Deal Documentation and the Community Planning Partnership Economic Development Strategy 2017-2022. Formalisation of the new town name alongside the delivery of the

first phase expected to witness build-out of the first new home in 2020 will help maintain momentum in delivery of these ambitious plans.

## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant detrimental 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 Local Development Plan - ELLDP 2018  
7.2 Edinburgh and South East Scotland City Region Deal (ESESCRD) - Report to Council 26 June 2018  
[https://www.eastlothian.gov.uk/meetings/meeting/6067/east\\_lothian\\_council](https://www.eastlothian.gov.uk/meetings/meeting/6067/east_lothian_council)

<b>AUTHOR'S NAME</b>	Douglas Proudfoot
<b>DESIGNATION</b>	Head of Development
<b>CONTACT INFO</b>	<a href="mailto:dproudfoot@eastlothian.gov.uk">dproudfoot@eastlothian.gov.uk</a>
<b>DATE</b>	14 October 2019



**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Depute Chief Executive Partnerships and Communities

**SUBJECT:** East Lothian Local Development Plan 2018 – Report on Supplementary Planning Guidance on Design Standards in New Housing Developments; and Countryside and Coast Supplementary Planning Guidance

---

**11**

## **1 PURPOSE**

- 1.1 This report deals with two Supplementary Planning Guidance documents. Both these documents have been prepared as supporting information to the Local Development Plan 2018 (LDP).
- 1.2 The Supplementary Planning Guidance on the Countryside and Coast has recently been subject to public consultation and has now been finalised.
- 1.3 The draft Supplementary Planning Guidance on the Design Standards in new housing areas is at an earlier stage in its development and has still to be subject to public consultation.

## **2 RECOMMENDATIONS**

That the Council;

- notes the results of the public consultation on the draft Supplementary Planning Guidance: Countryside and Coast (available in the Members' Library, Ref: 128/19, October 2019 Bulletin);
- approves the draft Supplementary Planning Guidance: Countryside and Coast (available in the Members' Library, Ref: 129/19, October 2019 Bulletin); and
- approves the draft Design Standards in New Housing Areas Supplementary Planning Guidance for public consultation

(available in the Members' Library, Ref: 130/19, October 2019 Bulletin).

### **3 BACKGROUND**

- 3.1 The LDP includes several references to the intention to produce additional Supplementary Planning Guidance that will provide further detail on some of the policies in the Plan. These references are included where the implementation of policies can be assisted by additional information too detailed for inclusion in the Local Development Plan. Once adopted, non-statutory Supplementary Planning Guidance will be taken into account as a material consideration in the determination of planning applications.
- 3.2 There are no statutory provisions setting out the scope or process for preparing non-statutory Supplementary Planning Guidance, however, if it is to carry enhanced weight as a material consideration in planning decisions, it must be consulted on and adopted by the Council.

#### **Countryside and Coast Supplementary Planning Guidance**

- 3.3 Members will recall that as part of the LDP several countryside policies were added that provide additional protection for the setting of East Lothian settlements, the character of the landscape and protection for the characteristics of the coastal areas.
- 3.4 The draft guidance sets out the policy context in the ELLDP 2018 and then proceeds to identify in more detail what would be required from development proposals to meet the requirements of the LDP.
- 3.5 Following approval of the draft Countryside and Coast Supplementary Planning Guidance for public consultation at the meeting of East Lothian Council on 26 June 2019, a seven-week period of consultation was held in July and August 2019. Prior to the start of the consultation period, letters were sent to each Community Council in East Lothian alerting them to the consultation.
- 3.6 Through the consultation written submissions were received via the consultation hub or via email. Comments were received from SEPA, SNH, Scottish Water, Homes for Scotland, some individual housebuilders and numerous community groups and members of the public. The results of the public consultation includes a broad summary of the range of issues raised by the consultees (Members' Library Ref: 128/19, October 2019 Bulletin).
- 3.7 The hub questionnaire asked for comments on the comprehensiveness of the guidance and the extent to which it provided sufficient information to applicants.
- 3.8 Overall, the majority of respondents agreed with the purpose of the document and the value in having additional guidance on the key attributes of the countryside and coast and need to protect them from unnecessary

or unsympathetic development. Several points were raised around specific locations and the need to protect areas of the Countryside due to their aesthetic value and desire to prevent possible coalescence. Several developers responded suggesting the principle of housing development in countryside around town areas. A full list of the comments received and the officer responses to reach point are included in the results of the public consultation.

- 3.9 As the document is only guidance and policy is already set by the LDP there could be no changes to the policy or boundaries of the Coast or Countryside through this consultation. However, in response to the consultation comments, some small changes have been made to the original draft to provide further detail on the attributes of some of the protected areas.

### **Design Standards in New Housing Areas Supplementary Planning Guidance**

- 3.10 The Local Development Plan includes references to both the existence of Supplementary Planning Guidance of Design Standards, the need for development to adhere to its content and the intention that design guidance will be updated in the future.
- 3.11 The intention to update this guidance was recognised by the reporter during the Examination to the Local Development Plan as a positive step that would help to ensure a high standard of design in future development in East Lothian.
- 3.12 A draft of the revised guidance was prepared and consulted on in late 2018. Several comments were received during this consultation which raised concerns about the comprehensiveness of the draft guidance. Also raised was the need for the guidance to be developed through a more collaborative process with other ELC Services. As a result the need to make further changes to the content of the Guidance emerged.
- 3.13 In addition, the guidance was being prepared in the context of an increased need for action on climate change. As the first draft was being considered, it was clear that there was a need to further address climate change through development layout and individual building design.
- 3.14 Another theme coming through planning policy is the need to simplify policy and guidance to make it easier to use by both the Council and applicants. The draft guidance originally prepared had a limited coverage of design issues and required those interested in developing land to reference a multitude of documents.
- 3.15 Due to these reasons, it was decided not to bring back the draft design guidance to Committee, but instead revisit the documents form and content to provide a single reference point for design guidance and begin to further address the issues raised by the climate emergency. This is with a view to undertaking further public consultation on the revised guidance.

- 3.16 The revised draft guidance brings together all elements of design. It highlights how design should be addressed at the different stages of the development process and at different scales of development. It includes many more examples on how good design can be delivered and specifically addresses the points raised under the previous consultation.
- 3.17 If approved by Council the draft Design Standards in New Housing Areas Supplementary Planning Guidance will be subject to public consultation for 6 weeks in late autumn/winter 2019. The results of this consultation will be reported back to Council in early 2020 alongside the finalised guidance for approval.

#### **4 POLICY IMPLICATIONS**

- 4.1 The Supplementary Planning Guidance on Countryside and Coast and the Supplementary Planning Guidance on Design Standards in New Housing Developments will provide valuable additional direction to both the applicant and the Planning Service when considering development proposals. By producing these documents the Council is delivering on actions set out in ELLDP 2018. Neither document creates new policy but provides further guidance on policies already approved through the 2018 LDP.

#### **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subjects of this report have been through the Integrated Impact Assessment process through the ELLDP 2018 and no negative impacts have been identified.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – none
- 6.2 Personnel – none
- 6.3 Other – none

#### **7 BACKGROUND PAPERS**

- 7.1 Responses to consultation on Countryside and Coast Supplementary Planning Guidance (Members' Library, Ref: 128/19, October 2019 Bulletin)
- 7.2 Final draft Supplementary Planning Guidance: Countryside and Coast Supplementary Planning Guidance (Members' Library, Ref: 129/19, October 2019 Bulletin)

7.4 Draft Design Standards in New Housing Areas Supplementary Planning Guidance East Lothian Local Development Plan 2018 Members' Library, Ref: 130/19, October 2019 Bulletin)

<b>AUTHOR'S NAME</b>	Keith Dingwall
<b>DESIGNATION</b>	Service Manager - Planning
<b>CONTACT INFO</b>	kdingwall@eastlothian.gov.uk
<b>DATE</b>	14 October 2019



**REPORT TO:** East Lothian Council  
**MEETING DATE:** 29 October 2019  
**BY:** Chief Social Work Officer  
**SUBJECT:** Chief Social Work Officer's Annual Report 2018/19

---

**12**

**1 PURPOSE**

- 1.1 To provide Council with the Annual Report of the Chief Social Work Officer (CSWO) 2018/19 on the statutory work undertaken on the Council's behalf. The report also provides Council with an overview of regulation and inspection, and significant social policy themes current over the past year.

**2 RECOMMENDATIONS**

- 2.1 Council is asked to note the 2018/19 Annual Report of the Chief Social Work Officer.

**3 BACKGROUND**

- 3.1 The requirement that every local authority should have a professionally qualified CSWO is contained within Section 45 of the Local Government (Scotland) Act, 1994. The particular qualifications are set down in regulations. This is one of a number of officers, roles or duties with which local authorities have to comply. The role replaced the requirement in Section 3 of the Social Work (Scotland) Act, 1968 for each local authority to appoint a Director of Social Work.
- 3.2 This report is prepared in line with the national guidance - The Role of the Chief Social Work Officer - published by the Scottish Government in 2016. Further, this report fulfils a statutory requirement for the CSWO to produce an annual report on the activities and performance of the social work service within East Lothian.
- 3.3 The Chief Social Work Advisor to the Scottish Government, in consultation with CSWOs, the Care Inspectorate, Social Work Scotland and the Scottish Government, created this template for the annual CSWO report. This template is designed to create parameters around the information

provided. It does not ask for new information to be produced but is designed to draw out key information in a more focussed way and to create a more analytical and reflective report.

#### **4 POLICY IMPLICATIONS**

- 4.1 This report covers all statutory requirements including looked after children and young people, child protection, adult protection, criminal justice (including MAPPA, and violence against women and girls). Commentary and analysis on the Health and Social Care Partnership is also included.
- 4.2 During 2018/19 social work services have continued to receive high numbers of referrals across all departments. Further, presenting needs are becoming more complex. Children's social work services experienced significant pressures on external residential and secure care budgets. These pressures need to be addressed within the confines of reducing public sector resources whilst recognising the importance of shifting service delivery towards prevention and early intervention across children and adults services to reduce the need for targeted services.

#### **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 The CSWO Annual Report 2018/19

<b>AUTHOR'S NAME</b>	Judith Tait
<b>DESIGNATION</b>	Chief Social Work Officer
<b>CONTACT INFO</b>	01620 827633
<b>DATE</b>	10 October 2019





# **East Lothian Chief Social Work Officer Annual Report 2018/19**

# Introduction

I am pleased to present the Chief Social Work Officer's annual report for East Lothian 2018/19. The report provides a summary of social work activity, including key developments and information on statutory decisions made by the Chief Social Work Officer on behalf of the Council. The report is not intended to be exhaustive but gives an indication of trends, priorities, challenges and opportunities over the past year and as we move towards the years ahead. This report covers the period when the role was held by the previous chief social work officer, Fiona Duncan, before I took up the role in June 2019.

2018/19 was a year of significant change in terms of the leadership and management of social work services across children and adult services and leadership arrangements within the health and social care partnership. It has been a time of uncertainty and challenge but managers and staff have responded extremely well. They have continued to provide care and deliver services to some of the most vulnerable people in East Lothian. Within the context of financial pressures, staff have worked in partnership with colleagues from other professions and agencies to plan, develop and implement new and innovative approaches that will improve the lives of vulnerable people. They have contributed to discussions around how services are delivered and in setting future priorities. I wish to thank them for their continued efforts and look forward to reporting on the developments that are currently underway in next years' report.

Judith Tait  
Chief Social Work Officer

# Section 1: Summary

- 1.1 2018/19 saw both the development and the implementation of new and innovative approaches to improving the lives of vulnerable adults and young people through promoting and enabling independence. The Wellwynd Hub, a partnership approach between H&SCP and the council's housing service is a dementia friendly setting that features smart technology to assist people in managing daily tasks. The My Space project, also a partnership between children's social work services and housing, is an innovative model of living for care experienced young people beyond their care placements that aims to transform the pathway to adulthood.
- 1.2 The legislative and policy landscape for social work and social care services is continually changing. Whilst the aspirations and intentions of improving the safety and lives of vulnerable people are sound, the impact on services of widening expectations and eligibility brings challenges that must be recognised and planned for within social work services and with our key partners. In response to the implementation of the Carers (Scotland) Act in April 2018, the East Lothian Carers' Strategy was developed in consultation with stakeholders and sets out our approach and the supports and services required to identify and meet the needs of young carers and carers for adults and older people. The Continuing Care legislation extends the rights of young people looked after away from home to remain in their care placement until they are 21. We recognise how this can improve the life chances of vulnerable young adults and help them make a successful transition to adulthood. It brings its challenges however in our context of a reducing fostering workforce.
- 1.3 Meaningful engagement and involvement with people who use services is at the heart of good social work practice and service planning. The transformation programme of community and day supports for adults with complex needs has been underpinned by a broad range of stakeholder involvement to ensure the work is grounded in an accurate understanding of people's lived experience and the services required to be fit for the future. The work of East Lothian Champions Board has made a significant contribution to raising awareness and understanding of the needs of looked after and care experienced children and young people.
- 1.4 Managing and reducing demand for targeted "downstream" social work services depends on effective and joint approaches to reducing poverty and inequality, building resilient and inclusive communities and meeting emerging concerns and needs at an early stage. Our strategic partnerships around community planning, public protection, community justice and children's services have a key role to play in developing integrated approaches to addressing the impact of substance misuse on adults families and young people, the rising levels of domestic abuse and increasing demand for mental health supports and services. The growing population in East

Lothian will bring benefits and opportunities alongside increased demand for social work and social care services.

- 1.5 Assessing need and achieving the correct balance of promoting independence whilst managing risk of harm across the spectrum of vulnerable children, young people and adults is at the core of the professional social work task. As we are challenged to do more within the challenging arena of achieving financial efficiencies and reducing resources, the importance of a well-trained, settled and resilient staff group cannot be underestimated.

# Section 2: Partnership Working, Governance and Accountability

- 2.1 During the 2018/19 reporting period, the role of chief social work officer for East Lothian was held by the senior manager for adult statutory (social work) services. In terms of organisational structure, all of adult social work services, including criminal justice social work services are delegated to the IJB. The governance of children's social work services remained within the council but was managed through the health and social care partnership by the head of children and adult services who reported to the chief officer of the health and social care partnership.
- 2.2 The work to inform a decision about the future structure of children's social work culminated in a decision by Council in February 2019 to retain the governance of the service within East Lothian Council, to separate the leadership arrangements of children and adult services and create an Education and Children's Service. The implementation of this new structure and resulting changes to management and leadership and the place of the CSWO will be reported in the 2019/20 annual report.
- 2.3 Although not a member of the council's management team, the CSWO had protected time to attend and contribute to a range of strategic and senior leadership forums and partnerships that had a role in governing and directing the delivery of social work functions. These included:
- East Lothian Integration Joint Board
  - Clinical and Care Governance Committee (of the IJB)
  - East Lothian Health and Social Care Partnership Core Management Team
  - East and Midlothian Critical Services Oversight Group
  - Children's Strategic Partnership
  - Community Justice Partnership
  - Corporate Parenting Group
  - East and Midlothian Public Protection Committee (EMPPC)
  - Mid and East Lothian Drug and Alcohol Partnership (MELDAP),
  - MAPPA Strategic Oversight Group
- 2.4 The strategic direction for the role and contribution of social work and social care services in protecting and improving the wellbeing and outcomes of East Lothian residents sits within the context of community planning, and the integration of health and social care.

- 2.5 The East Lothian (community planning) Partnership Plan 2017-27<sup>1</sup> sets out its high level focus for:
- Reducing inequalities across our area
  - Tackling poverty
  - Working to prevent problems - and acting quickly when problems start
- 2.6 The Integration Joint Board’s strategic Plan 2016-19<sup>2</sup>, the first plan for the new body, identified its priorities as:
- Delivering more care closer to home
  - Addressing the variation in the use and delivery of health and social care services across the county and tackling inequality
  - Developing a strong focus on prevention and “low level” support
  - Ensuring best value for the public purse through more effective partnership working.

Social work and social care services play a vital role in championing and addressing the impact of poverty and inequality in the lives of vulnerable people and are well placed to inform the prevention and early intervention agenda. Key service achievements during 2018/19 are set out in later sections of this report.

### **Relationship with wider community planning structure**

- 2.7 The East Lothian Integration Joint Board has responsibility for strategic planning. The East Lothian Health & Social Care Partnership (H&SCP) has lead responsibility to co-ordinate and deliver the health and wellbeing outcomes of the Community Planning Partnership (CPP). It is required to develop and report on a suite of outcome indicators that demonstrate performance and improvement at a local and national level. The IJB Strategic Plan brings together all the East Lothian strategies and plans for transformation of health and adult social care and relates directly to the NHS Local Delivery Plan, the Single Outcome Agreement and other East Lothian Council plans, including the Local Housing Strategy and Criminal Justice partnership plans.

### **Practice governance arrangements**

- 2.8 The CSWO has a role in providing assurance that the governance arrangements for professional social work and social care practice are safe and effective. Over the course of 2018/19, the acting chief officer of the IJB directed the development and piloting of a clinical and care governance framework<sup>3</sup> for health, social work and social care services. The committee was adopted as a formal sub-committee of the IJB and began meeting on a monthly basis from July 2018. Considerable work has been done to find an appropriate “fit” between the clinical governance processes that are well

---

<sup>1</sup>[East Lothian Plan 2017 - 27](#)

<sup>2</sup>[East Lothian IJB Strategic Plan 2019-2022](#)

<sup>3</sup>[ELHSCP Clinical Care Governance Framework](#)

defined across health services, and the arrangements to assure the quality of social work practice and performance.

- 2.9 During 2018/19, children's (social work) services were included in the piloting and testing of the new framework. This provided a good opportunity for colleagues across adult health and care services to learn about the legislative and operational responsibilities of children and families' social work services. However, the ongoing challenge of integrating the thinking and understanding about children's services into the predominantly "adult" agenda meant opportunities for scrutiny, support and challenge were not fully realised within this process. Following the decision to retain children's social work services within the council, work began to develop a performance and quality assurance framework for children's services and this will be reported on in the 2019/20 CSWO report.

### **Strategic Partnerships**

- 2.10 Most social work functions take place within the context of joint operational working with colleagues within the H&SCP and council services and across key partner agencies including the third sector. Working with others to strategically plan and develop services is essential to benefit the people of East Lothian. The Community Justice Partnership benefits from having key health services for substance misuse and mental health and criminal justice social work delegated to the IJB and working within the health and social care partnership. The role of the head of children and adult services as co-chair of the CJP during 2018/19 supported a holistic approach to community justice.
- 2.11 As part of our statutory partnership structures, East Lothian benefits from a formal partnership with Midlothian for public protection (EMPPC) and with our drug and alcohol partnership (MELDAP). The MELDAP Strategic Group has high level representation from a range of key partners; NHS Lothian, East Lothian and Midlothian councils, Police Scotland and the third sector to provide leadership and direction. Members of the Strategic Group are also represented on key East Lothian groups such the Children's Strategic Partnership, Community Justice Partnership and HSCP. The MELDAP Delivery Plan (2016-19) reflects the relevant priorities set out in the IJB Strategic Plan. Such arrangements ensure that there clear lines of accountability, a strength noted by the Care Inspectorate, 'transparent and robust governance in place with routine reporting on performance, both internally and externally, to joint accountable bodies'.
- 2.12 The first CJP Annual Report was prepared for Community Justice Scotland and focused on achievements in delivering the East Lothian Community Justice Local Outcome Improvement Plan 2017-2020 (ELCJLOIP). The Report identified the following improvements, plans and challenges for 2018/19:

- Embed the Community Justice Coordinator role into the partnership – this will allow for a coordinated approach to Community Justice and support integrated working and collaboration across the partnership.
  - Improve access to services for residents across East Lothian but especially those with convictions – the incidence of poor mental or physical health, substance misuse, and low educational attainment continues to be over-represented in this group. The difficulty in accessing appropriate, secure housing continues to be a challenge.
- 2.13 In 2018/19 the Community Justice Partnership reviewed its priorities and implemented three separate work streams: community engagement, early intervention and prevention and improving access to services were identified as the key needs in East Lothian. The groups have been tasked with developing their Terms of Reference, setting aims & objectives and detailing their outcomes and data collation needs.
- 2.14 The East and Midlothian Public Protection Committee provides a single formal partnership to coordinate the development, oversight and performance of multi-agency working across the public protection agenda. The CSWO has a role in assuring the effectiveness of governance arrangements for child, adult and public protection. The performance and quality improvement sub-group of the public protection committee provides effective oversight and scrutiny of performance and management information and considers the findings of reviews of practice across all areas of public protection at both national and local level. These include:
- Initial case reviews
  - Significant case reviews
  - Serious Incident reports
  - Large scale investigations
- 2.15 As a member of the public protection committee and CSOG the CSWO had oversight of the work of this sub-group. In addition, the CSWO was a member of a small group of senior staff who would take on the role of chairing large scale inquiries in care home settings and initial case reviews across East and Midlothian.
- 2.16 The PPC has a well-developed performance reporting framework that is subject to regular scrutiny by the PQI sub-group, the PPC and by chief officers at CSOG. The indicators are reviewed over time to ensure their continued relevance as measures of performance. The breadth of information, for example across the child protection, violence against women and drug and alcohol data sets, provide an important opportunity to see the dynamic relationship between these areas of practice and the impact on the safety of children, young people and women, and support managers and chief officers to prioritise resources and plan services accordingly. This will be an area for further development in 2019/20.



2.17 During 2018/19, EMPPC was chosen as one of the three pilot areas to test the new national data set for child protection as developed by CELCIS and the Care Inspectorate. Data was collated August 2018-March 2019 and although this was a resource intensive exercise, it has highlighted a number of operational issues for the committee to explore further and the graphs and charts generated allow better identification of trends over time.

### **Stakeholder engagement**

2.18 During 2018, East Lothian Integration Joint Board established a new strategic planning structure with six Change Boards to deliver the Directions and Priorities as agreed by the IJB and East Lothian Health & Social Care Partnership:

- primary care
- adults with complex needs
- mental health and substance misuse
- shifting the balance of care
- Care home and community hospital re-provision programmes
- Carers

2.19 There are seven reference groups which support stakeholder involvement in service planning. The IJB has made a clear commitment to ensure the contribution of stakeholders is valued and influences strategic planning of health and care services. There are key principles or golden threads that underpin the work of the boards that include: early intervention and prevention; meeting carers' needs; tackling health inequalities and discrimination; re-ablement/recovery and tackling social isolation.

2.20 As part of specific work streams around the service transformation for older people and implementation of the Carer's Act, there was a range of stakeholder communication and engagement events and activities including public meetings, newsletters social media and provider sessions. The ELH&SC Engagement strategy was developed and signed off during 2018/19. Key messages that emerged from the engagement from the transformation project of community and day services for adults with complex needs included;

- Importance of maintaining friendships
- Flexibility of service provision including extended hours
- Employment and vocational opportunities and use of social enterprise
- Access to advice and Information
- Improved transport / access
- Improved support for carers

## East Lothian's Champions Board

- 2.21 East Lothian Champions Board is now in its third year and members are rightly proud of its achievements. Members come from a range of care backgrounds, with the majority living in foster care or care leavers. The ages range from 14 up to 26 and reaches out to all care experienced young people. The champs meet weekly and are supported by a paid participation assistant, herself a care experienced young person.
- 2.22 Young people tell us they get to make new friends who have had similar experiences to themselves. They don't feel so alone. They learn new skills by speaking in front of others. This year, they played a role in understanding the budget position for the Champs Board and the importance of getting funding to sustain the Board. In April 2018, the Champs hosted an event at Queen Margaret University to showcase two films they made to highlight the challenges faced by care experienced young people in education and in moving into independent living<sup>4</sup>. The 'We are the Champions' event was very well received. They met with the Minister Maree Todd. The champs spoke about how the event made them feel proud of what they had achieved and that they were respected for who they are.
- 2.23 The Champs use aggregate data from Viewpoint as a way of feeding in the wider views of care experienced young people looked after at home and away from home. During 2018, the Champs supported the head of children and adult services to pilot a Care Inspectorate questionnaire with looked after children and young people as part of a self-evaluation of the service. Towards the end of 2018/19, the champs supported the induction of the new independent reviewing team. They shared their views on what makes a good plan an effective review meeting and things to remember when making decisions about contact between young people and their brothers and sisters and parents. All external recruitment to management posts within children's services include an interview with a panel of care experienced young people. Their views on how well candidates engage, understand and value the voices of LAC are integral to the process. In 2018 year the champs built on the Top Tips for Social workers and created top tips for corporate parents<sup>5</sup>. This information is shared at training and awareness raising events.

---

<sup>4</sup> Housing

<https://www.youtube.com/watch?v=QjBEMIV9BVg>

Education

<https://www.youtube.com/watch?v=5BrHi85IyeQ>

<sup>5</sup> [Top Tips for Corporate Parents](#); [Top Tips for Social Workers](#)

## 2.24 Other successes include

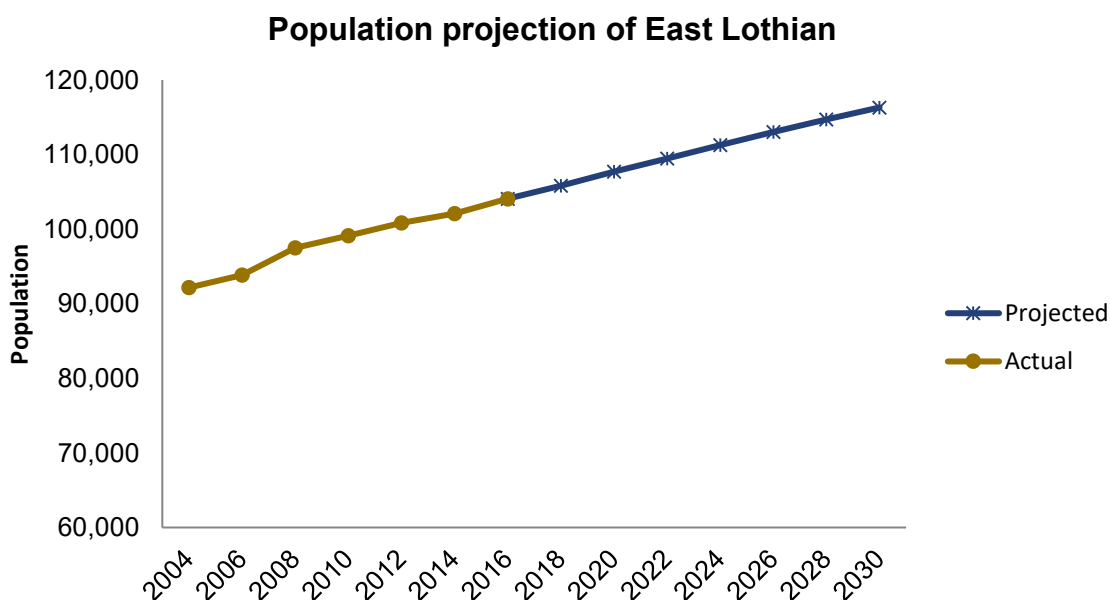
- the opportunity in early 2019 for one of our participation assistants to complete a leadership programme in India
- The Champions Board was shortlisted for the Scottish Social Services Award.
- Another participation assistant was shortlisted for the ‘Young tenant of the Year’ award.
- Regular visits from MSPs and MPs and engagement with the Independent Care Review to hear about the work of the Board

2.25 The Champs Board was established with funding from the Life Changes Trust and relies on this to operate and deliver its functions. During 2018/19, a further period of funding was awarded, although at a reduced level, and will cease entirely in 2021. Members of the Corporate Parenting Board, on behalf of all East Lothian corporate parents will be tasked with identifying a sustainable solution during the next 18months to ensure the continuation of this essential and highly successful service.

# Section 3: Social Services Delivery Landscape: Partnership Working and Commissioning

## Demography, Geography and Socio-economic Context

- 3.1 The population of East Lothian is 104,840 with a higher proportion of both older and younger people than the Scottish average. Overall the population is forecast to grow by 18% between 2016 and 2041, one of the fastest rates across Scotland. The population changes vary across age groups and geography but projections suggest that the 75+ age group will have the largest percentage change, by 100%, and more than the Scottish average (nearly 79%). However, the age group 30-49 will remain the largest proportion of the population (NRS, 2016).
- 3.2 The number of 0-15 year olds is projected to increase by 27.5% between 2012 and 2027 and the number of households is projected to grow by 23.8% between 2015 and 2037 compared to a growth of 14.3% in Scotland. Fa'side area is projected to have the largest population increase by 2026 of some 41.6%. (East Lothian by Numbers 2016).



**Figure 8.** East Lothian population projection, 2016 to 2030, with actual population from 2004 (NRS, 2016)

3.3 The current age profile of East Lothian is generally older than Scotland with a higher proportion of the population aged 60 and over. Figure 2 displays the age range of East Lothian in comparison to Scotland in 2016 (NRS, 2016).

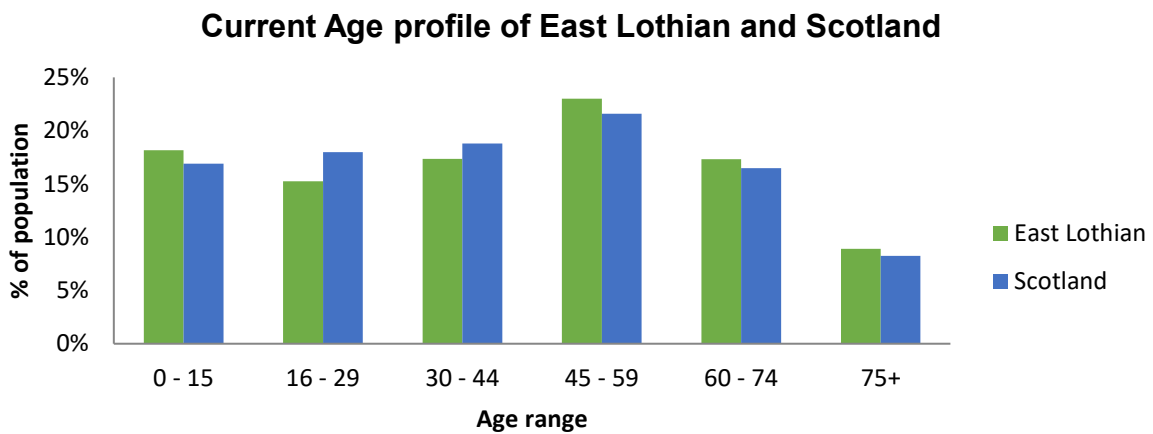


Figure 2. Estimated population by age group (NRS, 2016)

3.4 In terms of our socio-economic context, overall, 4% of the East Lothian population live in the most deprived Scottish quintile, while 20% live in the least deprived quintile. (NRS, 2016). However, this varies by locality. Higher levels of deprivation are concentrated in the western part of East Lothian (around Musselburgh, Wallyford, Tranent and Prestonpans), although there are also pockets of deprivation in Haddington and Dunbar. Once housing costs are included, 20.3% of children in East Lothian are living in poverty.

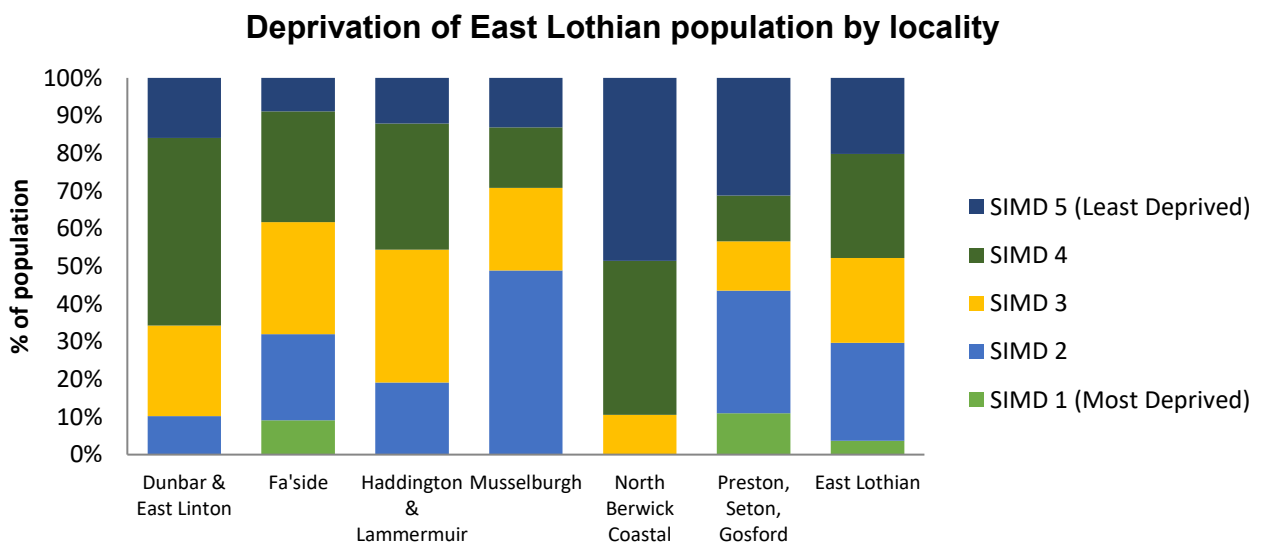


Figure 3. SIMD 2016 Locality Population for East Lothian (NRS, 2016)

## Geography of East Lothian

3.5 East Lothian has a geographical profile that differs from the Scottish average. Figure 4 below demonstrates the urban/rural distribution of the East Lothian population. Around 24% of the population are classed as living in a large urban area, compared to nearly 70% of the Scottish population that live in a large urban town, or other urban area. All of these residents are in the Musselburgh locality. Almost 22% of the population live in accessible rural areas. In comparison, in Scotland, 10% of the population live in accessible rural areas (SHS, 2017).

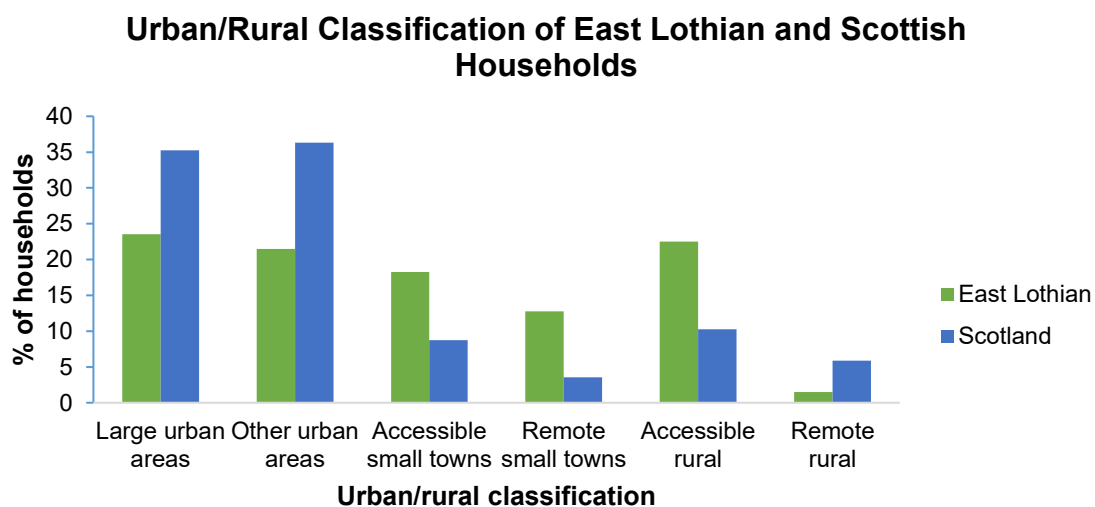


Figure 4. Distribution of population of East Lothian by rurality (SHS, 2017)

3.6 This more rural distribution of the population has an impact on accessibility of services to the general public. One example of this is access to public transport. Figure 5 demonstrates the accessibility to regional public transport according to geographic access deprivation.

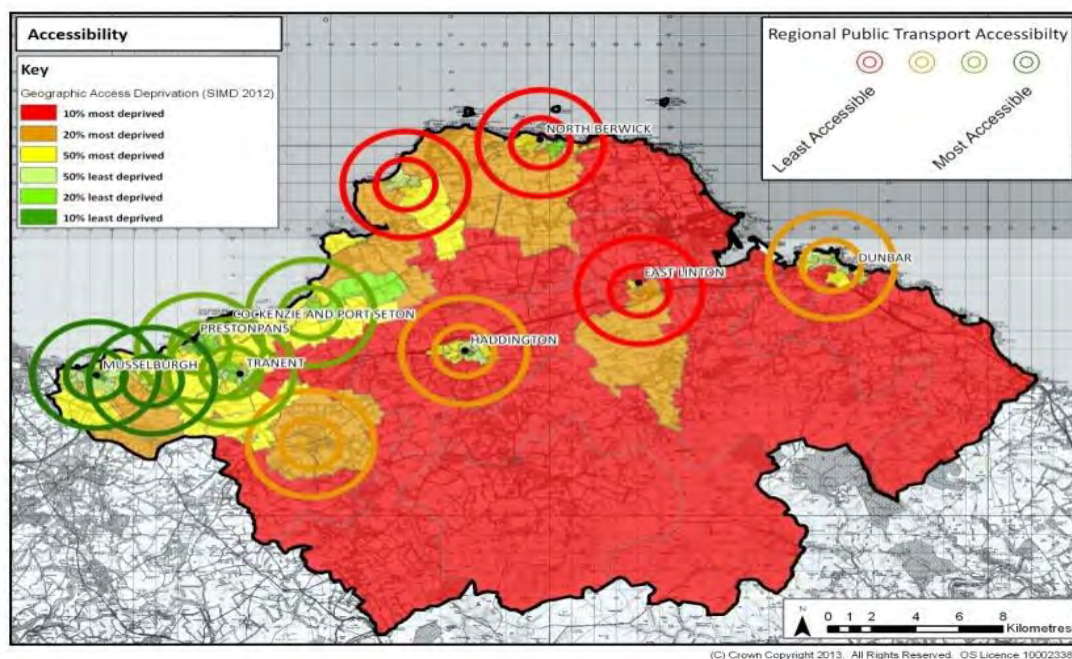


Figure 5. Geographic Access Deprivation (SIMD 2012) showing access to regional public transport (East Lothian Local Development Plan, 2018)

### The Workforce

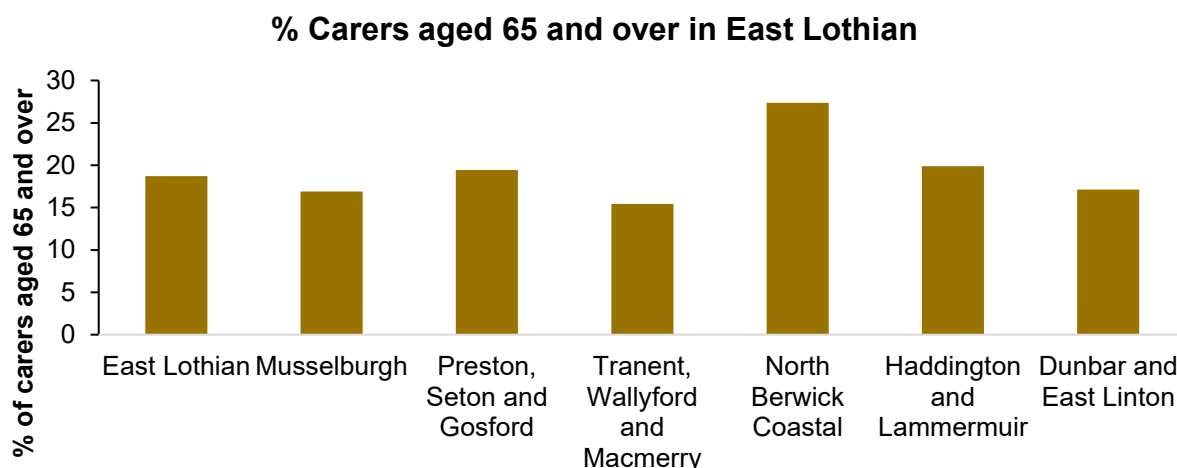
3.7 82.3% of East Lothian population is economically active. The Scottish average is 77.8%. 21.4% of economically inactive population are retired, compared to 14.3% average in Scotland (NOMIS, 2017). There has been a trend for the chief earner of the household to work outside East Lothian, with 30% of chief earners commuting to work outside East Lothian in 2017, a rise from 17% in 2011. Analysis by ward reveals that those who lived in Dunbar and East Linton were most likely to have said the chief income earner works within East Lothian (56%). On the other hand, Preston, Seton and Gosford respondents were most likely to have said the chief income earner commutes to work outside East Lothian (EL Resident Survey, 2017). However, employment for disabled people is lower and income is lower. After housing costs, nearly a quarter of people living in a disabled household were in poverty in 2007/08, compared with 17% of those living in non-disabled households (ScotPHO, 2010).

### Volunteering

3.8 In 2017, 33% of the East Lothian population provided unpaid help. In general, there is an increase in the proportion of 65+ who volunteer, with 34% providing unpaid help in 2017, compared to 25% in 2013. 44% of residents in accessible rural areas provided unpaid help, compared to 21% of residents in large urban areas. Local community or neighbourhood groups was the most popular choice of organisation to provide unpaid help with 29 out of 90 (32%) of volunteers providing help to this type of organisation. Health, disability and social welfare was the second most popular type with 19 out of 90 (21%) volunteers providing help for this group (SHS, 2017).

## Carers

- 3.9 The percentage of carers aged over 65 in East Lothian was 18.7% in 2011, slightly less than Scotland proportion of 19.3%. However, this varies by geography with a range of 7.1% (West Barns) to 30.2% (Gullane).



**Figure 6.** Proportion of carers aged 65 and over by locality (Census, 2011)

It is estimated there are at least 2000 young carers in East Lothian (East Lothian Young Carers, 2018). Young carers are twice as likely as young people to report a mental health condition. They also have worse self-reported health and have a higher prevalence of physical health conditions (Scottish Government, 2017).

## Dementia

- 3.10 As East Lothian is the second fastest growing local authority area in Scotland the new housing and communities that are being created need to respond to the needs of the increasing numbers of people who will be affected by dementia. We are working in partnership with Dementia Friendly East Lothian to assist in this and prepare for new families and individuals who make East Lothian their home. This will, in addition, involve working in partnership with Community Planning, housing and the third sector to ensure that dementia friendly communities become part of development agendas.
- 3.11 Partnership working across Community Planning and Health and Social Care, as well as the third sector is also significant in bringing a focus to those affected by inequality or poverty who also have a diagnosis of dementia. As noted, East Lothian has a diverse population in an area of mixed urban and rural communities, some affected by deprivation. These factors impact on how easily people with dementia can access services. This focus needs to be brought into the local dementia care pathway to best support individuals and families within the county.



## **Gypsy Travellers**

- 3.12 There is currently no systematically collated data about the Gypsy Traveller population in East Lothian making it difficult to provide an accurate assessment of numbers and needs; however, health outcomes for Gypsy Travellers are generally poorer than for the wider population and they experience greater levels of stigma and discrimination than other minority ethnic groups. There is one official local authority site at the Old Dalkeith Colliery, with pitches for 12 trailers. East Lothian Council maintain a quarterly collection of data from this site, which has a steady number of families living there, with no waiting list.
- 3.13 The Gypsy Traveller Steering Group is a Lothian-wide multi-agency partnership with representation from: health; education; local authorities; police and the third sector. The group coordinates activities aimed to improve the health and wellbeing of the Gypsy Traveller community across Lothian. The work is governed by an action plan which is based on the priorities set out in a Fairer Scotland for All: Race Equality Action Plan. The plan supports the 'golden threads' within HSCP planning to reduce inequalities and focus on prevention and early intervention.

## **Social Care Provision**

### **Adults with Complex Needs**

The transformation programme of community supports and day services for adults with complex needs was formally launched during 2018/19. The work was supported by a financial intern who modelled financial projections for social care requirements and costs based on past patterns of service demand, provision and spend. This underpinned the rationale for change and the modernisation of services.

- 3.14 In 2018, 725 adults with learning disability were known to the East Lothian Health and Social Care Partnership. The number of adults with learning disability in East Lothian reported to the Scottish Commission for Learning Disability (SCLD) is 8.5 adults per 1,000. East Lothian has the highest number of adults with learning disabilities known to local authorities in Scotland (Scotland average 5.2 adults per 1,000). Projections examining the predicted social care requirements have been calculated by East Lothian Council. Social care users with learning disability are projected to grow from 368 in 2019 to 651 in 2041. Learning disability social care costs are projected to grow at an average yearly real rate of 4.5%. Learning disability is currently on trend to grow below expected projected growth.
- 3.15 Physical disability social care users are projected to grow from 180 to 213 by 2041. Physical disability social care costs are projected at an average yearly real rate of 3%. Physical disability is currently on trend to grow in line the expected projected growth. Mental health social care users are projected to grow from 202 to 218 by 2041. Mental health social care costs are projected to grow at an average yearly real rate of 2%. Mental health is currently on trend to grow in line the expected projections growth.

3.16 In 2018-19, 25.1 per cent of all East Lothian pupils had an additional support need (ASN) recorded. This figure includes pupils with a Co-ordinated Support Plan (CSP), Individualised Education Programme (IEP), Child Plan or some other type of support. The East Lothian average in 2018-19 was 2 to 3 percent below the national average across the sectors. The prevalence of learning disabilities increased from 1.3% in 2008 to 2.3% in 2015. Autism prevalence increased from 0.7% to 1.7% (SLDO, 2018). Work is underway to identify earlier those young people who may need support from adult social services. Managers anticipate around 25 young people every year are leaving school requiring significant levels of support, including community day support.

The discovery phase of the **transformation programme of community supports and day services for adults with complex needs** was carried out August 2018- January 2019. The scope of the review includes day services; housing; repatriation of out of area placements; night-time support; use of TEC and alternatives to statutory services. This included population and demographic data analysis, service user data analysis, reach of services, internal and commissioned service make up and current provision, environmental assessments and analysis of current buildings, current national and local policy and strategy, qualitative feedback and consultation from stakeholders, good practice examples.

Key findings that will inform the options for future models of service delivery include:

- There is an increasing population of adults with complex needs, with increasing age and decreasing mortality also factors in the growth of this population group.
- Current services are not able to manage the level of demand across all service user groups, with many operating waiting lists. There is an increase in referrals for younger people transitioning from children's services to adults and adults transitioning to older people's services.
- East Lothian has been working with the same model of day supports and services for some years. Existing premises (building based learning disability services) are not currently able to adequately support the wide variation in both physical and psychological needs of the supported people who are accessing services.
- Costs associated with transport and out of area placements / provision are contributing to significant budget pressures and not sustainable
- There is no strengths based approach to supporting people with complex needs where the role of volunteering, employment and further education is fully developed across services.
- Current commissioning and funding arrangements are restrictive and do not support growth or innovative approaches.

The 2019/20 CSWO report will provide an update on the new models of service delivery.

Through current arrangements for commissioning services, some concerns have been raised in relation to providers having recruitment and retention issues, as well as a shortage of adequately trained staff to provide care for current identified complex care needs.

Forecasting from children's services has clearly indicated that clients with more complex care needs will be transitioning into adult services in the immediate and longer term. The Integration Joint Board have been made aware of this risk and further discussions regarding a comprehensive approach to commissioned services will be taken forward.

### **Care at Home Provision**

- 3.17 In East Lothian, care at home is predominantly provided by the independent sector, with only 5.5% provided via East Lothian Council's homecare team and the NHS funded Hospital to Home Team. In terms of service quality, 73% of services were graded Good (grade 4) or above from the Care Inspectorate with only 27% at a Grade 3 (adequate). With the challenges in the Care at Home sector managers are reassured with this level of quality within the service. During 18/19 one provider chose to leave East Lothian. Care Staff were TUPE'd to another Framework provider who continued to deliver the services and in turn improved capacity and quality of service within East Lothian. The service is currently developing an Integrated Care at Home Service which includes Home Care (funded by ELC) Hospital to Home (funded by NHS) and Emergency Care Service (Jointly funded by ELC and NHS). The opening of the East Lothian Community Hospital in 2019 year will offer joint accommodation and development of joint teams in the partnership.
- 3.18 Last year's CSWO report discussed the work to implement a care at home framework with 15 external providers. The new contract allowed for delivery of services by two methods; time and task and personal budget model. The latter allowing people to receive their services focused and measured on assessed outcomes, significantly pushing forward the SDS agenda under an option 3 purchase arrangement<sup>6</sup>. The service has continued to see benefits in terms of building in incentives to drive up quality and achieve efficiencies through a gain share mechanism. All services are monitored through balanced scorecard approach which includes a series of KPIs as well as measures to respond to material breaches of contract. The contract was developed through extensive stakeholder engagement and use of a more flexible approach to purchasing of services has been welcomed by service users and providers.
- 3.19 There has been a significant improvement in partnership working with Providers through the development of collaboration allocations, allowing providers to be clustered into areas improving the delivery of service as well as reducing travel time and cost for providers. The Scottish Living Wage for care at home providers both on and off the Framework has been implemented whilst remaining in budget for care at home services.
- 3.20 There is a challenge in recruiting and retaining care staff for care at home services. Despite the national implementation of living wage for all care workers, the job is still viewed as low paid but with high levels of responsibility, autonomy yet close scrutiny.

---

<sup>6</sup> [Social Work Scotland - Best Practice & Local Authority Progress in Self-Directed Support](#)

There is still high mobility of carers between providers, causing additional disruption to people who access services and increased costs to providers and commissioners of services.

- 3.21 In terms of demand, at March 2019, there were 1370 adult service users, similar to last year, with approximately 21500 hours provided each week. Like many local authorities, we experience a shortage of hours. However our performance in reducing unallocated care hours has improved significantly since 2017/18. The community review team works hard to improve efficiencies by stopping care once outcomes have been met and ensure those at greatest risk are allocated first.

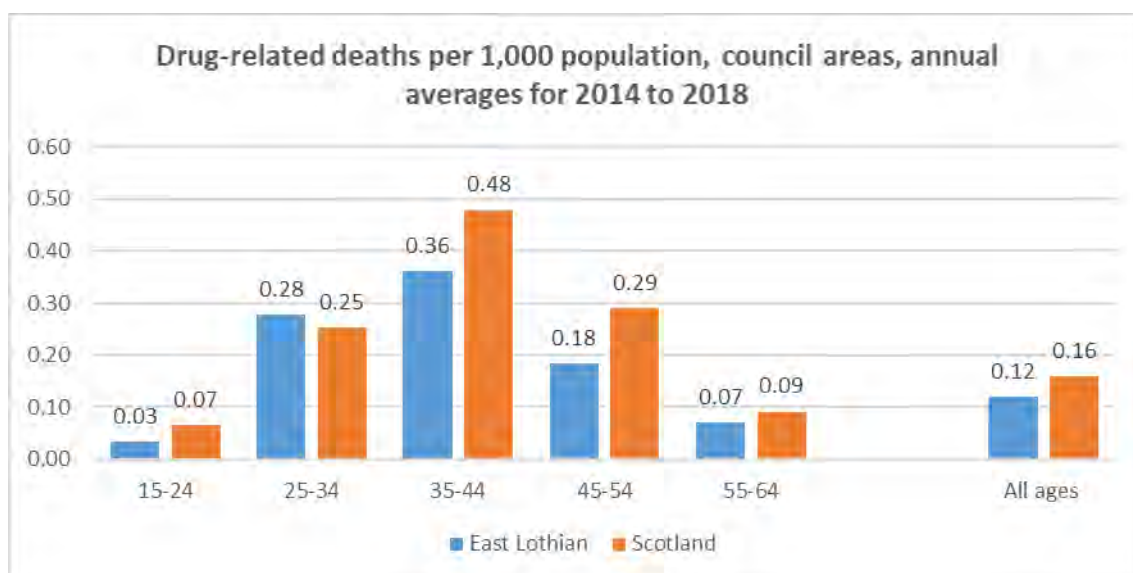
### **Care Home Provision**

- 3.22 East Lothian has 17 care homes for older people in total. Three residential care homes and Belhaven nursing home are managed by ELH&SCP staff. The remainder are provided by the independent sector. In April 2018, there were 599 clients (aged over 65) being supported within care homes rising to 606 by the 31 March 2019. This compared to 584 in 2017. Of these clients, 44% are self-funding, which has increased over the last two years.
- 3.23 The length of care home placements are getting shorter. For the period Sept 2018 to April 2019 (using a similar period to the previous report) 182 placements ended, 52 (29%) lasted less than 6 months and 73 (40%) were less than a year so slightly less than the previous report. However, overall, the average length of time residential packages lasted dropped from 2.40 years in the period Sep 2017 to Apr 2018 down to 2.19 years during Sep 2018 to Apr 2019.
- 3.24 There has been a recent increase in provision of care home placements with Muirfield Nursing Home increasing their beds to 60 and also the opening of the new Haddington Care Home with 68 beds in 2018. As a result some of the other homes are reporting an increase in vacancies. Although this may impact the providers it does mean that residents have more choice in placements.
- 3.25 Respite provision for adults over 65 years continues to remain a challenge for service users. Although respite beds are block purchased at Haddington the home has just recently been purchased by another provider though and it is not yet clear whether they will wish to continue with the current respite arrangement. Other homes continue to offer respite but only when beds are not being occupied by a permanent resident.
- 3.26 Officers are continuing to develop a non-national care home contract for homes not currently under the National Care Home Contract. The intention is to bring these homes under the same terms as the National Care Home Contract, although recognise that these are more specialist resources which may offer services above and beyond

the traditional contract. The new contract will provide us with greater control over contract management and also rate increases.

### Substance Misuse Services

3.27 Alcohol and drug use and misuse affects all of our communities but with the greatest level of harm experienced by those living in communities facing the most complex challenges. It is estimated that in East Lothian there are 1800 children living with a parent with some level of problematic alcohol use and 413 children living with a parent who is a problem drug user. Older people are affected by the misuse of drugs too with the highest level of alcohol related hospital stays for both men and women occurring in 55-64 age range. Family members and friends are affected by the death of a loved one as a result of alcohol and drugs. In 2018/19 there were 18 drug related deaths primarily in an ageing, poly-drug using cohort and 16 alcohol related deaths.



3.28 Midlothian and East Lothian Drugs and Alcohol Partnership (MELDAP) commissions a number of services from NHS Lothian, East Lothian Council and third sector providers to support people who misuse alcohol and drugs as well as those affected by someone's substance use. In recognition of the multiple challenges often faced by people who misuse alcohol and drugs work has continued to build a Recovery Orientated System of Care (ROSC) by strengthened links to other services such as housing, mental health and criminal justice services. The needs of women, particularly women who use drugs and the additional barriers they face to access appropriate services has been identified as a new priority and a needs assessment has been commissioned to define more clearly the scale of the problem and provide possible strategies to address these. The rate of drug related deaths is rising faster for women than men, and last year 7 of the 18 deaths were women.

- 3.29 While the majority of spend is dedicated to adult treatment services, recent commissioning decisions increased the range of recovery orientated services. These include recovery cafes, the Recovery College, an increased role for people with lived experience through the appointment of peer support workers as well establishing a Recovery Hub with improved access for clients seeking treatment and support. The absence of a young people's substance use support service designed to identify support those young people most at risk of developing problematic substance use was been recognised. The design and commissioning phases of its development were underway during this reporting period.
- 3.30 The main services for adults which can be accessed through the Recovery Gateways are the Substance Misuse Service (SMS) which provides a range of services to clients who wish to regain control over their substance use and make positive changes in their lives. Other MELDAP commissioned services for adults include:
- Midlothian and East Lothian Drugs (MELD)
  - Edinburgh and Lothian's Council on Alcohol (ELCA)
  - Recovery College, in partnership with Access to Industry
  - Starfish Recovery Café
  - Peer support.

### **Criminal Justice Social Work**

- 3.31 Criminal justice social work services in East Lothian are provided in a framework of social and community initiatives intended to achieve a reduction in reoffending, increase social inclusion of former offenders and provide support for victims of crime, while increasing community safety. Work across criminal justice social work services is funded by a ring-fenced direct grant from the Scottish Government and are required to adhere to National Outcomes and Standards. Social work services responsibilities include:
- providing effective supervision of offenders in the community
  - challenging offending behaviour and help offenders realise the impact of their behaviour on themselves, their families, the community and their victims
  - assisting with problems that may contribute to offending, for example, drug or alcohol misuse
  - providing courts with a range of alternatives to prison in appropriate circumstances
  - promoting community safety and public protection.

- 3.32 East Lothian Council's Criminal Justice Service is the main provider of criminal justice social work locally, but works in partnership with voluntary organisations and community groups in the provision of justice services in the county. Data indicates that people who have, or who are at risk of offending are more likely to have multiple and complex health issues, including mental and physical health problems, learning difficulties and substance misuse. In addition, they are three times more likely to die prematurely and ten times more likely to commit suicide than the general population. The introduction of community justice on a legislative basis reflects the need to provide a targeted and coordinated response to people with convictions to reduce health inequalities, promote successful integration and reduce the risk of reoffending.
- 3.33 Work is underway across mental health, substance misuse and criminal justice services to explore opportunities for integrated support arrangements for women with convictions and will be reported in the 2019/20 annual report.

## **Children's Services**

### **Fostering Service**

- 3.34 East Lothian used to be a fertile local authority for the recruitment of foster carers. When independent fostering agencies were permitted to recruit on a 'not for profit' basis in Scotland, this impacted on local authority foster carer recruitment, as these agencies pay high rate weekly fostering allowances along with a reasonable foster care fee, passing these costs to the local authorities who procure the placement, in addition to a management fee. Increased spending against looked after children budgets resulted. This, combined with the impact of austerity on local authority finance led our neighbouring large council to make significant investment in their own foster carer recruitment. Edinburgh now procure fewer placements from East Lothian, other neighbouring authorities and independent fostering agencies.
- 3.35 At April 2018 there were 60 East Lothian foster carer households providing 90 placements to East Lothian Children:
- 24% were committed to providing long- term/permanent placements so have no additional capacity.
  - 24% of carers are aged between 60 - 75 years, some of whom are indicating they are planning to retire when their current placements come to an end or plan to reduce the number of placements they provide.
  - 6% were dedicated respite foster carers providing support care. These foster carers have no plans to become full time foster carers.

This left less than 50% of foster carers with capacity to provide new foster placements when their current placements end. The current and anticipated

pressures included the need to recruit more long-term and permanent foster carers to reduce future use of external fostering placements and the need to recruit more foster carers to enable young people to remain in their foster placement via Continuing Care.

- 3.36 In response to this pressure the council agreed a budget investment that enabled the service to change the fee payment scheme for foster carers and share the carers to allow the service to compete with agencies already recruiting within East Lothian. The funding was also used to resource and launch a new and more assertive advertising and recruitment strategy with new branding, new designs for lamp-post wraps and bus-ends. It has taken time to implement some aspects of the new approach and there is always a significant time lag between advertising and approving new carers. However, momentum has been gathering and a more detailed evaluation will be provided in the 2019/20 CSWO report.

### **Children's Disability Resources**

- 3.37 Although the inclusion of providers of care at home to children and young people within the framework contract has allowed for continuity of provision, it has not delivered the scale of benefits for children's services seen in services for older people. Although four providers were successful in being awarded, in reality only two of these have been routinely offering packages of support. Children's care at home comprises small packages of care required at peak times. Children's needs are often complex and the framework rate does not provide an incentive for providers to train staff to manage their needs. This has implications for the budget as the service may need to go off contract to spot purchase from what may be the only available provider. Without these services, families are at risk of disrupting and requiring more expensive residential resources.
- 3.38 Another service challenge is sourcing more specialist day support from agencies/workers with the skill set to work with children who have autism and high levels of anxieties and the behaviours which may result. Full time residential care is a gap when education needs can be met in East Lothian or Edinburgh but family based care is not possible for the child. We want to be able to keep children locally and recent experiences of most residential schools has not been positive – we have returned two young people from residential schools where care and/or education has not been good enough – however providing alternative provision is a complex and challenging task.

### **Accommodation for care leavers**

- 3.39 The Council has a legal duty to provide advice and assistance to young people who cease to be looked after on or after their 16<sup>th</sup> birthday. We are also legally required to provide aftercare support until the care leaver turns 19, and to assess any eligible needs for aftercare support until they turn 26. The Children and Young People (Scotland) Act 2014 strengthened the approach to Throughcare and Aftercare by setting out a legal duty for Corporate Parents to promote the wellbeing of care leavers.



Regulation 14 states that when we are providing a young person with or supporting them in accommodation, we must ensure that any such accommodation is suitable and meets their needs.

- 3.40 Young people leaving care are more likely to become homeless and experience housing instability due to their vulnerability and limited economic and social resources. Safe, settled and sustainable accommodation is a crucial foundation for achieving positive outcomes for care leavers. Whilst acknowledging the very challenging context across East Lothian of insufficient housing stock, the impact on our most vulnerable and difficult to place young people reached a point in 2018/19 where there was significant levels of unmet need resulting in high usage of inappropriate accommodation including bed and breakfast.
- 3.41 In May 2018, the council agreed to invest in our most vulnerable and complex young people who were not ready for mainstream living through the purchase of three flats and provision of 24 hour staff support to meet the needs of our most vulnerable care experienced young people. These are young people who may be involved with anti-social behaviour or criminality and require extra guidance and support as well as a safe place to stay. They have often exhausted all community options with family or friends and have become homeless due to our current lack of suitable resources. This will include support with tenancy management, gatekeeping, finances, daily living and assistance with practical and emotional matters.
- 3.42 Working with an existing provider Blue Triangle, the new service was launched in April 2019. Alongside these developments, the relationships and joint working arrangements with housing and homeless services have been strengthened in particular over recent months which has seen significant gains for our care leaver population, in particular a significant reduction in the use of inappropriate accommodation. We will report on this fully in the 2019/20 annual report.

### **Prevention and early intervention services**

- 3.43 Children's Services has historically used Section 10 of the Social Work (Scotland) Act 1968 grant funding to make contributions by way of grants to third Sector organisations. This has enabled services to deliver in partnership, some core functions, such as independent advocacy for care experienced children and young people, residential respite for children with complex needs and disabilities, conflict mediation and resolution between young people and their main care givers and housing support and accommodation for those care experienced young people who are moving towards their independence. Section 10 has also been used to fund early intervention services including Home-Start East Lothian and the East Lothian Special Needs Play Scheme. We recognise that they provide important services with positive impact for vulnerable families.

- 3.44 Children's social work services has had limited access to *targeted early intervention* services in recent years. These are services that can work effectively with children and families with complex or challenging behaviours to either slow down or turn around deteriorating behaviour or to target those who are at risk of needing to become looked after. Edinburgh Cyrenians provide a conflict mediation service to young people at risk of becoming homeless. Children 1<sup>st</sup> provide a family group decision making service as an evidence based approach to promoting and identifying family-based solutions and provide kinship care assessments. However during 2018/19 it became clear that East Lothian's continuing low numbers of kinship care placements and rise in children requiring external residential care required a more assertive approach to keeping children within their families and additional capacity within the family group decision making (FGDM) and kinship assessment and support arrangements.
- 3.45 Work has been underway since autumn 2018 to consider how to create capacity within the social work service to intervene earlier and more effectively to both prevent young people becoming accommodated and to return some young people home to East Lothian from expensive out of area placements. This work is linked with a wider review of how well the council supports children with additional support needs and a review of the totality of resources and services to support families and strengthen parenting that will feature in the next CSWO report.

# Section 4: Finance and Resources

## The Financial Environment

4.1 In their 2016 report *Social Work in Scotland*<sup>7</sup>, Audit Scotland presented the headline message that the current approaches to delivering social work services would not be sustainable in the long term. Social work departments/services were seen as facing significant challenges because of a combination of financial pressures caused by a real-terms reduction in overall council spending, demographic change, and the cost of implementing new legislation and policies. Elected members were recognised as having a key role to play in a wider conversation with the public about service priorities and managing people's expectations of social work and social care services that councils can afford to provide in the future. Key recommendations included:

- Councils and Integration Joint Boards (IJBs) need to work with the Scottish Government, to set the overall strategy for social work across Scotland, to make fundamental decisions about how they provide services in the future.
- They need to work more closely with service providers, people who use social work services and carers to commission services in a way that makes best use of the resources and expertise available locally.
- They also need to build capacity in communities to better support vulnerable local people to live independently in their own homes and communities.

4.2 The follow up (impact) report published in December 2018<sup>8</sup> recognised that there had been a lot of activity in response to the report including the promotion of key messages. Work had started to strengthen governance and scrutiny arrangements and address workforce challenges. However, there was no evidence that councils and IJBs had been working with Scottish Government, COSLA or other stakeholders to agree a model for social work services in the future and how this would be funded.

4.3 From an East Lothian perspective, the demand for social care and social work services will continue to increase as the population rises, people live longer and experience associated health and care needs. The additional impact and cost of poverty, domestic abuse, substance misuse and poor mental health mean we must consider bold and transformational change. Prevention and reducing demand for services needs to be the golden thread that runs through our strategic approach to designing and delivering services.

4.4 The East Lothian Best Value Audit Report, 2018 confirmed that financial management in East Lothian was effective with a budget-setting process that focused on the council's priorities. The council has established a Transformation Programme to

---

<sup>7</sup> [Audit Scotland - Social Work in Scotland Report](#)

<sup>8</sup> [Audit Scotland - Social Work in Scotland - Impact Report](#)

embrace new technologies and to help address the forecast funding gap. The five-year funding gap projections will be reviewed annually as the council updates its financial strategy and the council is continuing to work to identify additional measures to reduce expenditure and increase income.

## 2018/19 Budget

Children's services	Additional investment	Efficiencies	
Budget £13,890m	£444,000 To support service pressures	Sell one place at Lothian Villa care home	£156,000
		Buysmart Review	£4,000
		Reduction in training budget	£2,000
Older people and adults	Additional investment	Efficiencies	
Budget £51,233m	Adult wellbeing – increase in operational staff £224,000	Reduction in operational supplies budget	£45,000
		Charging policy	£358,000
		Integration	£350,000

- 4.5 In 2018/19 a review of charging was undertaken and evidence for the changes established through benchmarking and impact assessment. New arrangements included a 15% increase on existing non-residential and residential charges, the introduction of two new 'flat fee' charges for day centre attendance and transport use and a 20% increase in the Taper used when financially assessing. All changes were fully consulted upon and sought to adhere to the COSLA 2018/19 guidance on charging for non-residential care services. A full year review of impact of these changes is currently underway.
- 4.6 In children's services, the investment money was targeted at areas of known financial pressure: increasing capacity in fostering resources; supported accommodation for care leavers and increasing social worker capacity in duty and the reviewing service. In adult wellbeing, the investment was used to build capacity in the community reviewing service in order to deliver efficiencies through reviewing individual care plans. These developments were fully implemented by the end of this reporting period. The evaluation and impact will be reported in 2019/20.
- 4.7 During 2018/19, the main areas of pressure continued to be within increased demand for care services, particularly elderly external care and clients with learning and physical disabilities as well as increased transport costs. These pressures were managed in year on a non-recurrent basis, from underspends in other operational

services. Due to a combination of factors- a lower than anticipated expenditure in relation to the delivery of services, a reduction in commissioned service costs due to lower than forecast demand for services and review of care packages, and a number of non-recurring unexpected benefits, overall the council services delegated to the IJB delivered an underspend of £311,000. In accordance with the approved scheme of integration, this underspend has been used to create a reserve for the IJB. Taking into consideration the Health delegated functions, in total the IJB now has in total the IJB now has total reserves of £1.782 million of which £695,000 is earmarked.

- 4.8 Work continues through discussion between East Lothian Council and NHS Lothian Finance functions to evidence a shift in the balance of care which will in turn result in a shift in resources from the NHS part of the delegated budget to support the increasing provision of social care funded support in the community.
- 4.9 All services in health and social care are reviewed through a formal Change Board structure. This is to ensure they deliver the best quality care within the resources available. Some initial benefits of this redesign have contributed to the improved financial position for the IJB within this financial period. Many historic operational pressures remain a challenge and further efficiencies are required in the coming year to ensure financial balance remains. Overall, the break-even position has been achieved by non-recurrent benefits and slippage (underspends) in elements of the health and social care services. Although an in year surplus, the IJB continues building the management of pressure areas into its financial plans for 2019-20.
- 4.10 The main areas of pressure for children's services was within the external residential and external fostering budgets. In 2018/19 there was a significant increase in demand for these services particularly external residential and secure placements. Alongside an increased use of external residential placements, the average cost of a package increased from £158,000 to £201,000 and fewer young people were discharged from accommodation during 2018/19. Over this time period, seven young people met the criteria for secure care because of either significant self-harming behaviour, they had or were likely to cause injury to another person, or they had absconded and could not be kept safe/ would abscond again.
- 4.11 A further service area experiencing pressure was the Throughcare and After Care service delivered through the 15+ team. Following the introduction of the Children and Young People (Scotland) Act 2014, the numbers of children requiring support after they leave care has steadily risen over the past few years. Meeting the requirements of continuing care commitments, increases in accommodation costs and the impact of Universal Credit were additional drivers for spend. These pressures were partially offset by savings from vacancies and lower internal fostering costs.

4.12 The Health & Social Care Partnership Directorate (covering Children's, Adults and Older People) reported an overspend of £2.43 million against budget and the main reasons for this were: The Children's Services budget delivered an overspend of £2.336 million. Budget recovery plans were developed alongside work to identify the factors contributing to patterns of activity and demand and to strengthen governance around assessment and planning arrangements across children and adult social work services. The Chief Executive established a Vulnerable Children's Project Board in May 2019 to review the financial performance of Children's Services and identify opportunities to transform service delivery and bring financial efficiencies. This will be reported on fully in the 2019/20 CSWO report.

# Section 5: Performance, Quality, Service Developments and Statutory Functions

## Contribution to National Priorities and Outcomes

- 5.1 Annual performance reporting is provided through indicators agreed by East Lothian Partnership, East Lothian Council and the East Lothian Integration Joint Board. For 2018/19 the council revised its approach and agreed its “Top 50” council plan indicators. Within the overarching commitment to reduce inequalities within and between communities, the measures that most directly relate to the contribution of social work and social care services sit within the “Growing our People” cohort of measures (see appendix 1). The IJB’s annual performance report 2018/19 provides a comprehensive account of the service developments and performance against the nine national health and wellbeing outcomes (see appendix 2).

## Key service developments in adult social care through 2018/19

### Self-directed Support

- 5.2 East Lothian was identified as one of the six areas selected by the Care Inspectorate for a thematic review of the implementation of self-directed support in 2018. The preparation and submission of a self-evaluation in July – August was followed by on-site activity in September-October. The report was published in June 2019, although the draft report was received at the end of March. The purpose of the review was to find out if the principles and values of self-directed support were being met and delivering positive personal outcomes. Overall the Care Inspectorate assessed five of the seven areas for evaluation as “good”, including key performance outcomes and leadership and two as “adequate”.

The following strengths were identified:

- Inspectors said that the way that ELHSCP supported people to experience positive personal outcomes through the implementation of self-directed support was good in East Lothian.
- Staff felt confident, competent and motivated to practice in an outcome focused and person-led way.
- ELHSCP had effectively communicated and engaged with stakeholders and promoted flexible commissioning strategies.

- Staff were empowered and supported to develop and exercise appropriate skills and knowledge.

5.3 Recommendations for improvement included strengthening service users understanding of SDS options and ensuring this is recorded accurately in order to support the effective measurement of the difference services are making. A further area for development was to embed the principles of choice and control into appropriate health services and ensure these principles remained at the heart of strategic service planning across the partnership.

### **SDS Prepayment Card**

5.4 In January 2019 SDS prepayment card was introduced. An amount agreed for the service-user's Direct Payment was uploaded on to the card every four weeks. It works like a debit card and has an online user account—just like an online bank account—and each card is PIN protected. With more people using Direct Payments, the service needs robust and efficient monitoring arrangements. The payment card will require no quarterly submissions and people will be able to check their balance online at any time. There will no requirement for special bank accounts for Direct Payments, so it will be much quicker to set Direct Payments up. This system will be an added incentive for people thinking about or currently using SDS, as it will make finances much easier for service-users to control.

### **Active and Independent Living Clinic**

5.5 The clinic is an integrated project involving Community Occupational Therapy, Physiotherapy and with input from the Housing Team. Set up with the aim of shifting the balance of care to enable the delivery of more services in the community, to reduce inequalities and improve health and care outcomes for local people. The clinic is based in the Wellwynd Hub, developed to simulate a person's own home with the opportunity to trial a variety of equipment, adaptations and Technology Enhanced Care. The resource offers an innovative solution for early intervention, prevention and self-management whilst enabling people to adopt a solution focussed approach, empowerment, and engagement from the outset.

### **Wellwynd Hub**

5.6 Wellwynd Hub opened in 2019 as a resource to assess people with functional difficulties to look at solutions to help gain independence and improve activity. Working in partnership with East Lothian Council's Housing Service, converted a sheltered housing warden's flat into a 'dementia friendly' homely setting with smart technology to assist people requiring help with daily tasks such as reminders or turning on lights by voice command. Home to the Active and Independent Living Clinic, it



allows people the chance to try adaptations and equipment such as wet rooms, adapted showers, specialist wash/dry toilets, adjustable beds and a wheelchair accessible kitchen. Wellwynd has been named as a finalist in 2019's COSLA Excellence Awards.

### **Duty, Response and Rehabilitation Falls Team**

- 5.7 A small team, led by an experienced Community Care Worker and supported by 2 Occupational Therapists, with the aim of improving the care, experience and outcomes of people following a fall. Referrals come from a variety of sources including; self-referrals, Emergency Care Service, hospital AHPs, GPs, families, Scottish Fire & Rescue Service, Scottish Ambulance Service and District Nurses. The team provides information, advice, environmental and functional assessments, with ongoing rehabilitation as required and referral onto appropriate agencies. On average 60 referrals a month are followed up by the team.

### **START**

- 5.8 The Short Term Assessment & Rehabilitation Team (START) works with older people in the Tranent, Prestonpans and Port Seton area. It was set up in April 2018, and focuses on helping people to become more active and independent after illness. It aims to reduce the delays around hospital discharge, prevent unnecessary admissions and help older people to be more confident and independent in their own homes and communities. It works so well because of its relationships with wider community services including GP practices, District Nurses, Social Work, Hospital at Home, Day Centres and the third sector.

### **Care Home Assessment and Review Team**

- 5.9 The team has two main functions; to provide a social work assessment and 5.9hospital discharge service to NHS Lothian hospitals, in particular where multi-disciplinary teams are planning to discharge patients to care homes. Social workers carry a caseload of patients from the point of referral in hospital through to 12 week review of placement, taking referrals from all NHS Lothian hospitals. Secondly the team works with residents living in care homes who require social work input, including Adult Support and Protection investigations, reviews of provision and operating a Duty system to deal with immediate concerns. The team takes a lead role in Large Scale Investigations into care homes where there have been Adult Protection concerns. Over the last 1.5 years the team has developed a Link Social Worker role for all East Lothian care homes which has improved communication between providers and the H&SCP.

## **Community Connector Model**

- 5.10 This is a model (first full year of implementation in 2017) which improves community capacity building, reduces individual needs for statutory services and efficiency in moving people from 1:1 support to peer and community support. It has been a period of reflection in terms of the perceptions of social care in the area. Systems, supported people and assessors' perceptions needed to change and move to a more outcome focused service, rather than a service based on tasks and hours. By moving to a community and outcome focused service, personal outcomes have been achieved for less cost to the local authority.
- 5.11 One-to-one support is often ingrained in a supported person's life. Moving away from that can be daunting, so creating a positive narrative in which the network model provides a two-way system of support is vital. Members now work together with the CLWs for the support they need. By replacing one-to-one services with a peer support model, East Lothian Health and Social Care Partnership has also seen a reduction in costs.

## **Implementation of the Carer's Act**

- 5.12 With the Carers (Scotland) Act coming into force on 1st April 2018 work was undertaken across adult and children's services to ensure the Act's requirements were met. As a result officers have:
- Published an East Lothian Carers Strategy in consultation with carers and third sector organisations. The strategy focuses on 8 outcomes. Awareness of the Act and the new strategy was widely publicised during April to June 2018.
  - Implemented Adult Carer Support Plans and Young Carer Statements in partnership with our local carer's organisations. These were trialled with adult and young carers and are now being used by all carer organisations in place of the previous carer's assessments. Particular effort was directed to making the young carers statements accessible by making the form easy to read and simple to complete
  - Published local Carers Eligibility Criteria in consultation with carers and third sector organisations. This will be used against information provided in the Adult Carer Support Plans (ACSPs) and Young Carers Statements (YCS)
  - Published East Lothian's Short Breaks Statements detailing short break services available across the county – these are split by user group (Adults, Parent Carers and Young Carers all have individual short break statements as the services they access are quite different)

- Supported implementation work to prepare our workers for the changes, including providing them with briefings on the new ACSP/YCS tools and eligibility criteria

## **Young Carers**

5.13 The young carer’s pathway provides an integrated approach to identifying young carers in East Lothian. Young people can also self-identify themselves as young carers. This pathway for identification, assessment and planning is supported by the Viewpoint tool. This allows for the identification, assessment and support plan all to be completed electronically when appropriate. An East Lothian Young carer’s web page has been developed and hosts the link to the screening questionnaire and relevant information about young carers<sup>9</sup>.

## **Supporting Young People in Transition**

5.14 For young people with disabilities and/or complex needs, the experience of moving from children’s to adult health, education and social care services can be stressful and challenging both for them and their families. This is compounded by having to navigate through complex pathways and service systems and eligibility processes to access resources. Achieving a seamless transition requires effective communication with young adults and families as partners, early engagement and planning, clear protocols and information and having the right services in place to meet need at an appropriate level. During 2018/19, staff across services worked hard to establish accurate data about of the needs of young people approaching transition in order to forecast resource requirements in the short term and future needs. This was especially relevant given the growth agenda in East Lothian. The development of updated protocols, a handbook and materials for young people and families and staff is underway, and will be reported in the 2019/20 annual report.

## **Short Breaks**

5.15 Managers have developed a Short Breaks Services Statement with Carers of East Lothian, written in consultation with carers and other professionals, in line with duties under the Carers (Scotland) Act 2016. This provides information for unpaid carers, and for others who might support someone, about the different breaks from caring available in East Lothian. It also includes details of local services which may be of help. Carers can be young carers, young adult carers, parent carers or adult carers. We know that breaks are essential for unpaid carers to help them have the chance to take care of their own health and wellbeing, allow them to have time to themselves, or to spend time with people who are important to them. We have developed a helpful online guide to short breaks<sup>10</sup>.

---

<sup>9</sup> [East Lothian Council - Young Carers](#) .

<sup>10</sup> [Short Breaks](#)

## Mental Health Officer Activity

- 5.16 A mental health officer (MHO) is a “specially trained social worker who has training, education, experience and skills to work with people who have a mental disorder. The Mental health (Care and Treatment) (Scotland) Act 2003 sets out the requirement upon local authorities to appoint a “sufficient “number of persons to undertake the role. MHOs are responsible for making decisions about compulsory admissions to hospital for people who are in the MHO’s judgment at significant risk to their health, safety and welfare. The MHO also has a number of duties under the Adults with Incapacity (Scotland) Act 2000 including providing a professional, independent and non-medical perspective on decisions which affect the civil liberties of individuals with mental illness, learning disability and other related conditions.
- 5.17 East Lothian Council has a statutory mental health officer team which consists of 5.4 WTE posts (this includes 1 WTE lead MHO with supervisory responsibilities). For this reporting period there were 4 satellite MHOs (i.e. qualified and accredited MHOs who work in other areas of the service). Only two are able to take on a small amount of active MHO work, none were able to commit to the duty rota on a regular basis. The core MHO establishment for East Lothian has not increased in the last 10 years. It has been in the lowest quantile in the rates of MHOs per capita across Scottish Local Authorities since the introduction of the Mental Health (Care and Treatment) Act 2003.

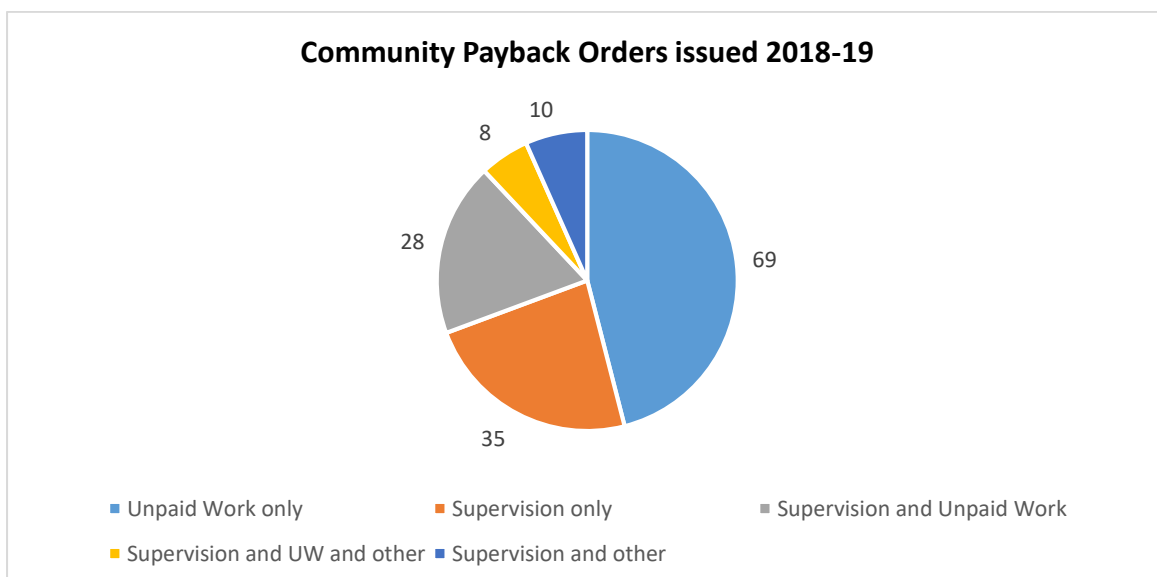
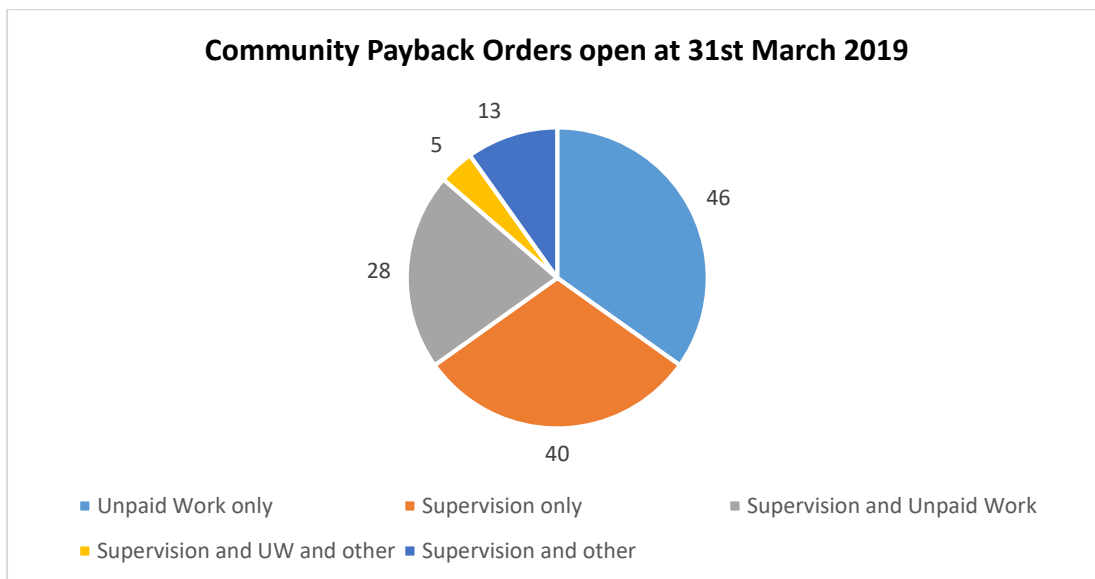
	2016-17	2017-18	2018-19
STDCs granted	63	60	93
CTOs granted	22	17	29
LA Guardianships granted	18	14	20
Private Guardianships granted	38	51	40

## Road to Recovery

- 5.18 MELDAP has continued to strengthen the development of a Recovery Orientated System of Care (ROSC), a network of community-led and community-based person-centred services designed to promote recovery. For many people wanting to address their problematic alcohol or drug use, the starting point is one of the well-established ‘Gateways to Recovery’ and they can simply drop into venues such as the Esk Centre. They will be seen immediately and directed to the most appropriate treatment service. The ROSC model also includes self-help groups such as Alcoholics Anonymous, Cocaine Anonymous and SMART available at venues across East Lothian with the SMART group having up to 14 weekly attendees.
- 5.19 Linking people with education Support to re-engage with education, develop new skills and gain qualifications is provided through the MELDAP Recovery College which, over the last 12 months, has worked with 41 students with 13 gaining SQA qualifications, two moving on to Further Education, five into work and six becoming volunteers. Friday Friends cafe and the Starfish Recovery Cafe help people reconnect

with the wider community and reduce isolation seeing some 30 to 40 people weekly. MELD peer support workers, all people with lived experience, provide a range of practical support to clients; helping them engage with services, accompanying them to appointments and acting as an advocate when needed. Support to help clients' mindfulness and support recovery is provided through alternative therapies such as ear acupuncture offered to MELD clients. The Lothian and Edinburgh Abstinence Programme (LEAP) provided a place for 10 people who needed longer term residential treatment with 70% of clients completing the 12-week programme.

### Criminal Justice Social Work Services



5.20 Due to the ongoing welfare and social needs of people with convictions in 2017/18 the Criminal Justice Team increased its complement of Social Work Assistant staff in

2018/19, allowing for individualised support and advocacy for those with convictions. To further strengthen the skills mix in December 2018 the Senior Practitioner post was re-introduced and this has supported developmental work to:

- Improve partnership working with colleagues in housing and substance misuse services
- Increase efficacy and governance of the CONNECT Group – a women’s only group for those either involved with, or at risk of becoming involved with, the criminal justice system
- Improved oversight of non-statutory interventions, with specific reference to Voluntary Through care

5.21 Community Payback Orders with unpaid work/other activity continues to be a core component of our social work business. In 2018/19 the number of hours issued by Court was 11,909 and this represented a 10% increase whereas the number of hours completed was 14,951, indicating a drop of 5%. The highlighted projects undertaken include:

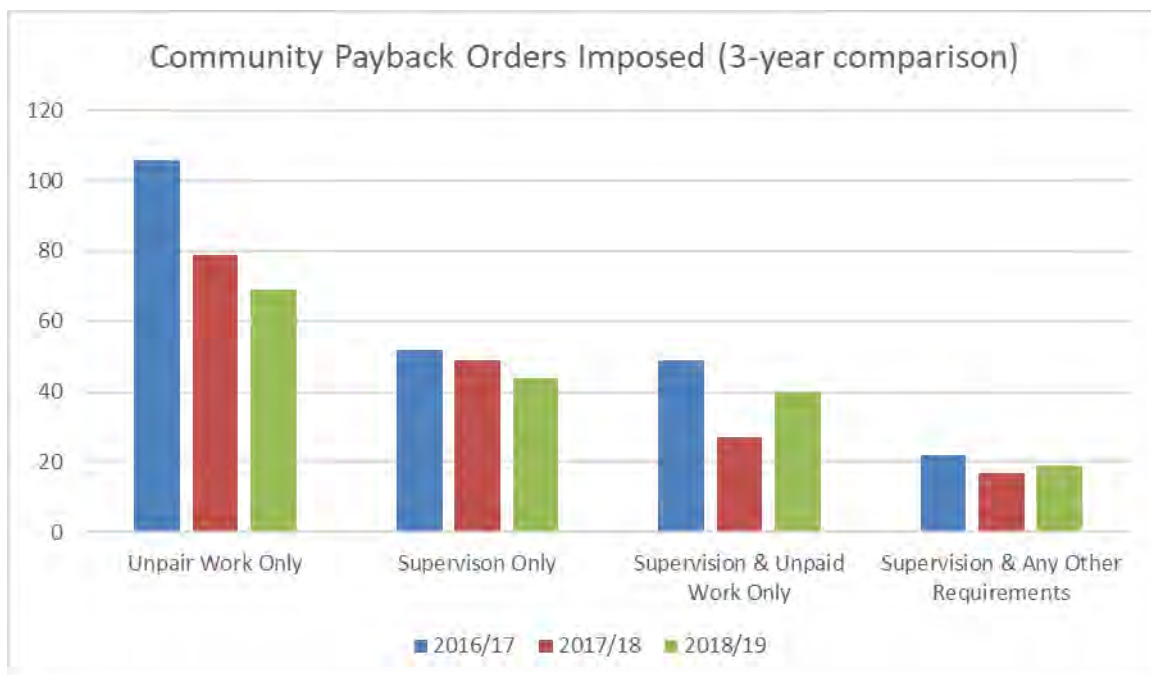
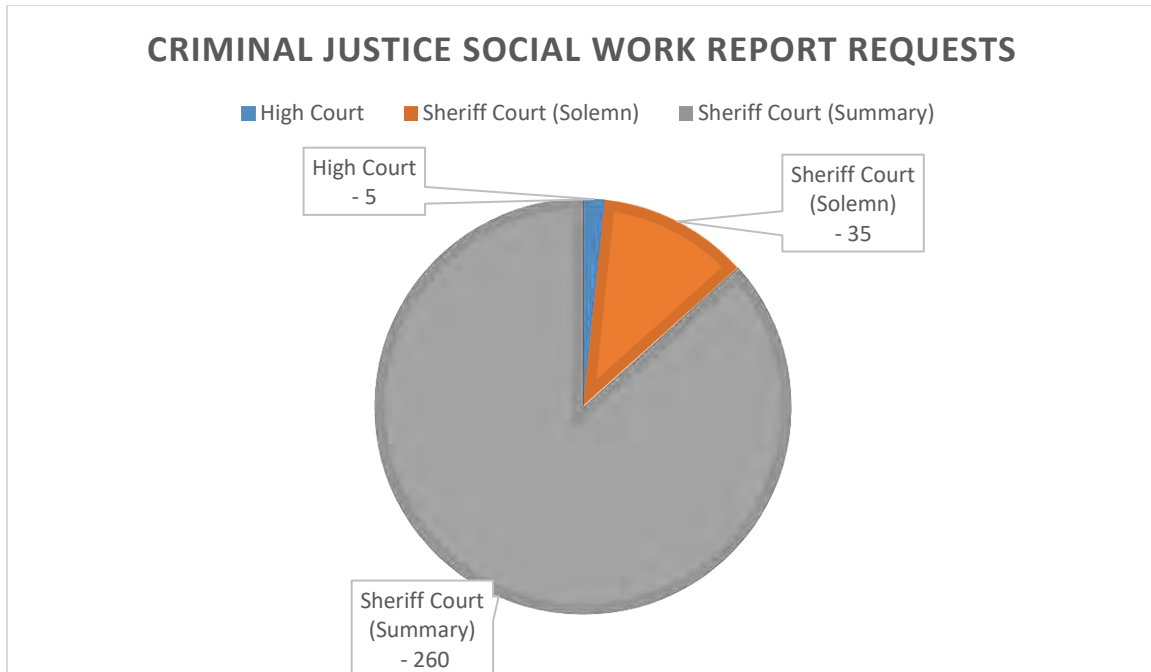
- Ground care management and development work with Muirfield Riding Therapy – this project uses the horse’s motion to improve an individual’s physical or mental health and well-being
- The Garden Project - established as a partnership with the Tenancy Support Team to clear or upgrade gardens of residents who have mental health or vulnerability issues
- The Children’s Service’s Fostering and Adoption Team were supported throughout the year by the siting and relocation of publicity boards for the service

5.22 Statutory Throughcare provides risk management and targeted interventions for those subject to post-release supervision as part of a release Licence. At year-end, on 31 March 2019, there were 21 individuals subject to such supervision with a further 29 receiving community based social work support during their custodial sentences. There were a further 25 individuals receiving a Voluntary Throughcare service. This is a slight decrease on the figures from 2017/18.

5.23 Multi Agency Public Protection Arrangements (MAPPA) continue to work well in East Lothian and there were fewer incidents of social media outing and/or targeting of those with sexual convictions. Following the 2017 local elections, a representative of the Lothian and Borders MAPPA Team and the East Lothian Criminal Justice Team provided an information session for new elected members. The focus was around the need to safely house and support all East Lothian residents whilst acknowledging the concerns of local communities alongside the rights and responsibilities of both victims and perpetrators.

5.24 Throughout 2018/19 there has been focus on working with women who have convictions – the CONNECT Group Programme has been well attended with on

average eight women attending the weekly sessions. The focus has been on recognising the impact of trauma on many of the group’s attendees, alongside both holding them to account for offending or anti-social behaviour and addressing issues of social exclusion or accessing services.



## Children’s Services

5.25 2018/19 was a year of significant change and challenge for the service. This included a change to senior leadership; the departure of two very experienced managers through retirement, and the decision to re-structure the service and align it formally

within an integrated education and children’s service. Within this context, the service faced a continued increase in referrals and in demand to support challenged and challenging young people that it was unable to meet from within its own resources.

### Service Demand

5.26 The 2018/19 financial year closed with a total of 3,210 referrals to Children’s Services. This is probably the highest total on record and meant that the service received an average of 62 referrals per week. The rise was a 9.4% increase on the same period last year. The estimated 0-17 East Lothian population rose again last year by 225 which compounds the steady population growth in the county as a whole in the last 25 years and provides further challenges for maintaining the traditional low looked after children population.

### Looked After Children as at 31 March 2019

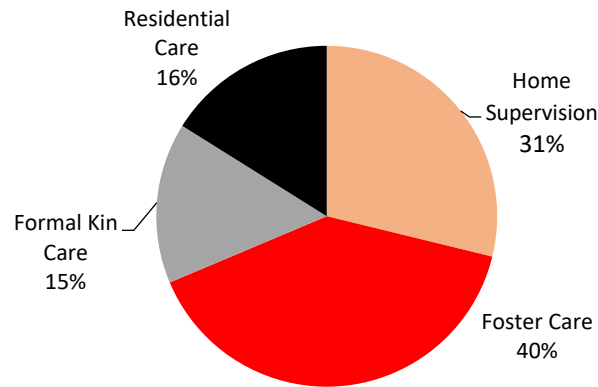
March 2019	Number	Monthly Change	Annual Change	Rate per 1,000*	Scotland Rate per 1,000*
Home Supervision	64	-4	-2	3.0	3.7
Foster Care	93	-1	-9	4.4	5.3
Formal Kin Care	39	3	5	1.8	4.0
Residential Care	38	0	13	1.8	1.5
(Secure Accommodation = 3 )					
<b>Total</b>	<b>234</b>	<b>-2</b>	<b>7</b>	<b>11.0</b>	<b>14.5</b>

5.27 The March 2019 total showed there were 234 children who were looked after. This was a decrease of 7 on the total this time last year. Whilst this might appear a positive change, the placement makeup changed considerably mainly in relation to young people in residential care and the use of external residential placements. However, in the context of looked after children and young people East Lothian remains significantly below the national average rate even allowing for child poverty estimates. In an earlier section, the report discussed the work underway to increase our numbers of local foster carers. The use of external fostering placements has financial implications and the service seeks to avoid this placement option wherever possible. However, East Lothian’s use of external fostering is still well below the average for Scotland.

5.28 Although overall, fewer children and young people required to be accommodated in 2018/19 than the previous year, nineteen young people had needs of such significance and challenge that could not be met within East Lothian residential or fostering resources. As referred to earlier, seven young people met secure care criteria with serious mental health concerns, offending behaviour or persistent absconding being



the leading concerns. Other factors include high-tariff anti-social and offending behaviour within young people’s home communities. The use of drugs and the influence of young adults and group pressure were also common themes. The age group at greatest risk and likelihood of placement were boys aged 14 years.



5.29 The rate of children accommodated in formal kinship care placements remains significantly lower than the Scottish average. Unfortunately there is no national data that includes those in informal kinship care placements (this includes children who were looked after but their carers have obtained a section 11 order that gives them certain parental rights and responsibilities). Notwithstanding that the service is successful in supporting kinship carers to take such action, the use of kinship care and family based solutions remains low. This is an area currently being targeted for improvement in terms of practice and support to carers and will be covered in further detail in the 2019/20 CSWO report.

**Fostering and Adoption Services**

5.30 The 2018 annual report<sup>11</sup> sets out the range of business and achievements of the service during the calendar year. The goal of increasing the pool of carers by six households each year is ambitious but necessary to East Lothian’s children have the best care close to family, school and friends. Five children had their adoptions finalised in 2018. The service now offers introductory sessions of “Theraplay” when a child is placed in an adoptive family. This is a gentle, play-based approach that helps children develop trust in their new parent. The team supports around 30 post adoption contact arrangements, and as the population rises, we can anticipate that requests for post adoption support will also increase as families are attracted to live in East Lothian.

5.31 The Fostering and Adoption services were inspected in February 2019 and received evaluations of very good and good for the quality of staffing and care and support. Inspectors found that children placed experienced safe nurturing care by foster carers

<sup>11</sup> [Fostering & Adoption Annual Report 2018](#)

who felt confident and well prepared for the task. Healthy active lifestyles were encouraged and the views of children were taken seriously and used to influence their care and support. Children in adoptive placements enjoyed secure, nurturing relationships, stable living situations, healthy lifestyles and positive early learning experiences. Inspectors were positive about the involvement of a clinical psychologist who helped promote a better understanding of the effects of trauma and the need for therapeutic parenting.

## **Residential Services**

5.32 The residential service for East Lothian young people continues to be delivered through the Lothian Villa Ravensheugh and Meadowmill houses and a flat in Musselburgh that is staffed up when required. The services have well-established track record of providing high quality care and support and have achieved inspection grades of “excellent” consistently since 2015. The most recent inspection findings will be reported on in the 2019/20 CSWO report but throughout the reporting year has maintained a high profile in residential child care through its contribution to local, national and international training and development. Staff have become increasingly involved in outreach activities to support fragile home situations and this will be reported on further in next years’ report.

## **The 15+ Team**

5.33 The team works with looked after and care experienced young people to provide the statutory duty of a throughcare and aftercare service designed to support a successful transition to adulthood. In addition, the team provides a housing support function to young people aged 16-25 which is registered and regulated by the Care Inspectorate. The service was inspected in March 2019 and the quality of care and support and quality of staffing were both evaluated as very good. At the time of the inspection there were 94 young people being supported by the service. The extension in responsibilities towards older care leavers and the development of continuing care means that more young people are being supported within the service. Historically the service performs well above the Scottish average for remaining in contact with those care leavers eligible for aftercare support. Whilst the number of care leavers (with a known destination) in education, employment or training is below the Scottish average, this needs to be seen in the context of the service remaining in contact with almost all those who are eligible, which is significantly higher than the Scottish average.

5.34 In 2018/19, the 15+ team developed and implemented a financial framework to strengthen the scrutiny and consistency of decision making around financial support for care leavers.

- 5.35 Work to establish the three new supported accommodation flats for care leavers referred to earlier, was underway during 2018. However, over this period, the limitations of existing accommodation options, in particular emergency accommodation in East Lothian for care leavers manifested itself in increasing and costly use of bed and breakfast and other unsuitable accommodation. Senior leaders recognised the need to address this and along with new approaches within homeless service, joint working arrangements to support care leavers have been significantly strengthened.
- 5.36 In late 2018, staff from housing and children's services were successful in making a joint bid for funding from the Life Changes Trust for the My Space Project. The council will purchase 10 properties over a period of three years to provide accommodation for up to 20 care experienced young people. They will be supported by a Peer Flatmate (recruited from Queen Margaret University and potentially rolled out to Napier and Herriot Watt University), a Housing Support Provider, a Care Experienced Research and Link Worker, and East Lothian Council as the tenancy management agent. Each tenancy will be made up of two care experienced young people and a peer flatmate.
- 5.37 The care experienced young people might come from B&Bs, straight from foster care, or they might already be living in their own tenancy but feel that they are not coping well or feel isolated. The peer flatmate will bring a degree of stability and knowledge about life skills and tenancy management. This will help create an environment in which care experienced young people will be encouraged to live independently and create a home for themselves. The final element is the employment of a care experienced Research and Link Worker. East Lothian Council is committed to providing care experienced young people with the necessary skills to gain meaningful employment.

### **Youth Justice Service**

- 5.38 East Lothian has a small service with limited capacity, delivered by a team leader and staff within one of the long term team social work teams. Social workers complete court reports and supervise community payback orders, some with restriction of liberty orders and some with unpaid work. Family support workers complete diversion reports and subsequent intervention when required. It has been a challenge for the service to develop and maintain the specialist skills and knowledge required by staff to work effectively in this area of practice and maintain this capacity within a small team.
- 5.39 In terms of demand, requests for Criminal Justice Social Work reports have declined due to the efforts to avoid criminalising children and dealing with their needs and risks within the community as far as possible. Diversion report requests have largely been the same and with a success rate of all but two. There have been no breaches of

Community Payback Order; all young people have worked well with us and none have been charged with another offence.

- 5.40 Given the anticipated legislation to raise the age of criminal responsibility and the move to decriminalise children's behaviour, unless the offence is of a more serious nature, the service is likely to continue to receive fewer requests for Criminal Justice Social Work Reports. Instead there will be an expectation staff will work with these same young people through Diversion from Prosecution or under Early and Effective Intervention measures. The voluntary nature of this approach will require a range of effective service approaches in order to encourage and motivate young people to engage. The current service offer around early intervention and diversion in East Lothian is limited and has been recognised by the Community Justice Partnership as a priority area for improvement. In late 2018, the government provided additional limited ring-fenced funding of £25,000 in recognition of the need to protect and support the delivery of early and effective intervention (EEI). However, despite several attempts, the service was unable to recruit a senior practitioner with the necessary experience to strengthen the approach to EEI and re-establish a group work programme, until August 2019.
- 5.41 Although numbers were small, in 2018/19 some of our East Lothian communities experienced episodes of high tariff anti-social and offending behaviour coupled with the impact of drugs that have been contributory factors in the need to accommodate young people in external placements.

### **Children's Disability Team**

- 5.42 The team provides a highly valued service to children and families with disabilities and complex needs. The team supports around 160 children and young people and works closely with colleagues in education and health. The use of SDS is well developed as a means of giving families choice and control. For children with severe, complex and enduring needs, a multi-agency resource panel considers the assessment of their needs with representation from social work, health, education and the voluntary sector. The Panel provides an independent forum to advise on the fairest use of limited resources and uses a vulnerability scale to assess the needs of the child and parents against a range of criteria to make sure needs are prioritised and resources allocated in a clear and fair way. With external support from In Control, the team has developed piloted and tested a new the model of resource allocation that reflects the need to offer families choice and control and meets the requirements of self-directed support.

### **Models of social work practice**

- 5.43 East Lothian remains committed to implementing the **Signs of Safety**. This is a risk balanced, safety-organised approach to child protection case work. It expands the

investigation of risk to encompass strengths and signs of safety that can be built upon to stabilise and strengthen a child and family's situation. The heart of the signs of safety process is a risk assessment and case-planning format that is meaningful for professionals as well as the parents and children.

- 5.44 **Family Group Decision Making** is a method of helping families come together to make a plan and find a safe solution for difficulties they are having with a child or young person. It is a model first developed in New Zealand and is now used by an increasing number of local authorities across Scotland to help to keep children living within their families and avoid accommodating them. During 2018/19 children's services was focused on increasing the capacity of the FGDM service and promote the approach as early intervention.
- 5.45 The East Lothian and Midlothian Public Protection Office continues to coordinate our approach to the implementation of **Safe and Together**. This is an approach designed at supporting women who have experienced domestic violence and aimed at partnering with women and supporting them to remain safe and together with their children. Fourteen practitioners attended the first cohort of Safe and Together Core Practice Training in January 2019 with further training and briefing sessions planned in 2019/20.

## Self-evaluation and Quality Assurance

### Children's Services

- 5.46 In July-October 2018, the head of children and adult services carried out a structured self-evaluation of the performance of children's services using the EFQM model. It also considered how well the service was working with partners in order to protect and improve the lives of vulnerable children and young people. This was to inform a decision about whether the children's social work service should become delegated to the IJB or whether the interests of vulnerable children would be better served if the governance of the service remained within East Lothian Council and the leadership and management arrangements moved from the H&SCP to the council. Activities included;
- Interviews/focus groups with 89 staff
  - Audit of children's records
  - Multi-agency staff survey (636 respondents)
  - Review of documents, performance and management data
- 5.47 The report concluded that notwithstanding the need for good links between adult and children's services, it was difficult to raise and sustain the profile of children's services within the integration agenda. The structure did not assist leaders to best consider the

dynamic relationships and inter-dependencies between key council services to have a shared rationale for what should change and be protected. There was a pressing need to strengthen relationships between staff working in children's social work and education, and a strong message that these services need to be closer both strategically and operationally in order to protect and improve the lives of our most vulnerable children and young people.

- 5.48 In February 2019, the council accepted the executive team's recommendation to retain the governance of children's services within the council and separate the leadership and management arrangements from adult services and the H&SCP. A decision followed to create an integrated education and children's service with chief operating officers for education and children's services reporting to a single head of service.

### **Independent Reviewing Service**

- 5.49 In response to the findings of the self-evaluation and audit of children's cases, the service developed what had been separate child protection and looked after reviewing posts into a team of 2.5 WTE independent reviewing officers. In post since December 2018, officers are responsible for chairing individual children's formal reviews and supporting practitioners to ensure children's plans are of a consistently high standard and that plans are being implemented in a timely manner.

## **Performance and Quality Assurance in Public Protection Arrangements**

### **Child Protection**

#### **Initial and Significant Case Reviews**

- 5.50 Work has commenced to evaluate if and how improvement actions from Initial and Significant Case Reviews have been embedded in a sustainable way. Initial Case Review and Significant Case Reviews. There have been no Child Protection Initial or Significant Case Reviews (SCR) initiated in the East Lothian area in the 2018/19 fiscal year. A Significant Case Review, initiated in November 2016 was concluded and agreed by the Critical Services Oversight Group in April 2018. This review, involving a 16 year-old male in transition between children and adult services, was conducted as an Adult Support and Protection SCR. The executive summary of this review was published<sup>12</sup>. Identified learning and areas for improvement are being taken forward through the public protection improvement plan.

---

<sup>12</sup> [Significant Case Review - Executive Summary Child R](#)

### **Multi-agency self-evaluation**

- 5.51 A programme of multi-agency self-evaluation, using A Quality Framework for Children and Young People in Need of Care and Protection, was initiated in February 2019, with a file audit of 8 cases (4 from East Lothian and 4 from Midlothian). Cases were randomly selected of children who had their names removed from the child protection register between January and June 2018. Due to a Lead Officer for Child Protection vacancy, there was a delay in the implementation of phase 2 (interviews with parents/carers and where appropriate, children and young people) and phase 3 (focus groups with staff). This is now underway. Evidence will be triangulated and findings will inform our improvement agenda.

### **Inter-agency Referral Discussion (IRD overview group)**

- 5.52 The Inter-agency Referral Discussion (IRD) overview group continues to meet and review decisions taken at IRD, the quality of interim safety plans and whether or not effective actions have been taken to reduce risk. The Lead Officers for Child and Adult Protection will be developing a framework to capture learning in a more systematic and meaningful way, to support service improvement.

### **Child Sexual Exploitation**

- 5.53 Following the national Child Sexual Exploitation survey in April 2019, an exercise will be undertaken this autumn to evaluate the East Lothian and Midlothian position in relation to the National Action Plan to Prevent and Tackle Child Sexual Exploitation. This will involve reviewing our response to identified cases of Child Sexual Exploitation, our use of data and intelligence and how that helps frame the deployment of resource.

### **Performance Reporting**

- 5.54 The revised framework for reporting on improvement actions within the public protection improvement plan is starting to embed, with reports on the progress of improvement actions being provided to the sub-group most relevant to the action and area for improvement. This allows for closer oversight of improvement activity, including a repository for and validation of evidence; and gives those with lead responsibility the opportunity to seek additional support if required.

### **Looked After and Accommodated Children Who Go Missing**

- 5.55 The East Lothian and Midlothian Public Protection Office has led on an exercise to improve our multi-agency response to Looked After and Accommodated Children who go, or at risk of going missing. This has involved developing a senior oversight and an operational implementation group. The East Lothian and Midlothian Public Protection Committee agreed a local inter-agency partnership protocol, following from the national pilot. This has been supported by a series of trainings and local briefings, including bespoke sessions for 21 members of staff from the East Lothian Pathway and Lothian Villa residential units.

5.56 The Police Scotland 'J' Division Missing Persons Coordinator now sits under the divisional public protection unit. A weekly intelligence report is now shared with social work partners to help identify those who most frequently go missing and target our response accordingly. The Missing Persons Coordinator is working with the Lead Officer for Child Protection to engage with local private providers and undertake briefing sessions, to ensure a consistent approach across the local authority area.

#### **Pan Lothian Chronology Working Group**

5.57 In her role as chief executive, Angela Leitch proposed and facilitated the development of a pan-Lothian approach to multi-agency chronologies. The work is coordinated by NHS Lothian through a pan-Lothian oversight board and working group. East Lothian are set to pilot the first multi-agency chronology to test and trouble shoot the developed system.

#### **Practice Themes and Emerging risks**

##### **Prevent**

5.58 Prevent is one of the four strands of the UK Government's 2018 CONTEST Strategy which seeks to reduce the risk to the United Kingdom and its interests overseas from terrorism, so that people can go about their lives freely and with confidence. East Lothian have seen a rise in the number of Prevent referrals. Further work is required to promote and embed the East Lothian and Midlothian Prevent protocol and referral pathway, so that it is applied in the most appropriate and consistent way.

##### **Violence Against Women and Girls**

5.59 There has been a continued increase in the number of domestic abuse incidents recorded by the Police in East Lothian. At the end of the reporting year, domestic abuse was recorded as a significant risk for 57% of all East Lothian children with their name listed on the Child Protection Register. In the 2018/19 reporting period 1145 incidents were recorded, against 932 during the previous year. 103 victims of domestic abuse (with a total of 137 children) were referred to Multi-Agency Risk Assessment Conference (MARAC) during the 2018/19 year, against 78 victims (with a total of 110 children) during the previous year. The test for MARAC is risk of homicide or serious harm. Measures have been put in place to ensure that the Domestic Abuse Service are notified when a Child Protection Case Conference is to be held and domestic abuse is identified as a risk factor.

5.60 There is clearly co-occurring forms of harm within many families as a system, including protection issues, perpetrator interventions, mental health and substance misuse. This year, the Lead Officer for Child Protection will work with the other Lead Officers and operational leads to undertake an exercise to explore how we can improve our whole family approach to co-occurring forms of harm. In 2019, the Lead Officer for Child Protection will front an exercise to explore how we can improve our whole family



approach to co-occurring protection processes (such as the MARAC and Child Protection Case Conference), enabling an integrated, outcome-focussed approach.

### Adult Support and Protection

	2015-16	2016-17	2017-18	2018-19
Total number of ASP referrals	493	663	791	778
Total Duty to Enquires	226	343	449	289
Total Investigations	69	151	112	86

- 5.61 The group service manager provides a helpful monthly service update report to senior officers and the CSWO to monitor adult support and protection and appropriate adult activity. This includes a breakdown of ASP referrals; commentary on relevant performance indicators reported to the public protection committee and ASP activity across the care home and care at home provision in East Lothian.
- 5.62 Single agency chronologies and multi-agency risk assessments were identified as areas of focus within the Adult Support and Protection Improvement plan in 2018/19. Chronology workshops were delivered in December 2018 and February 2019. Practice was found to have improved in terms of the number of chronologies in place ahead of an initial adult support and protection case conference. Annual audits were carried out to assess the quality and effectiveness of multi-agency risk assessments and risk management plans.

### Learning from Initial Case Review / Significant Case Reviews

- 5.63 There were two initial case reviews (ICRs) in 2018/19. Neither were found to meet the criteria for a significant case review. However, in response to the first one, a series of multi – agency workshops were delivered on the circumstances of this case and an evaluation report was submitted to the Learning & Development sub group as part of the workshops. The workshops were positively received and evaluated well especially by G.Ps who valued the opportunity to have a clearer understanding of the role of social work and the ASP Act. The second ICR followed a fatal fire and in response, Scottish Fire and Rescue Service delivered a number of briefing sessions across East Lothian, including children and adult services as well as care providers, to raise awareness of fire risk indicators.
- 5.64. Following the ICR EMPPC developed a Home Fire Safety Referral Pathway which has been widely distributed across partnerships and community safety groups. To measure the effectiveness of the briefing sessions and SFRS Home Fire Safety Referral Pathway, SFRS report to P&QI quarterly on the number of referrals to this service, the source of the referral and how many of these referrals they consider to be High Risk of Fire.

### **Large Scale Investigations**

- 5.65 There were three large scale investigations within the reporting period in East Lothian, 2 care homes, one with a repeated within the last year. The other is a respite facility for adults with chronic physical conditions and their families.

# Section 6: Workforce

6.1 East Lothian Council employee engagement survey was carried out in 2018. The aggregate results for adult and children’s services are shown in the table below. Although some measures had declined since 2017, the overall results remained positive.

<b>Health &amp; Social Care (including children’s services) (31%)</b>	<b>2018 Positive %</b>	<b>2017 Positive %</b>
I know how my job / individual objectives contribute to the Council’s objectives	94.6%	93.6%
I am encouraged to offer new ideas for improvement	76.6%	80.4%
The Council is a great place to work	84.7%	86.2%
I have a manageable workload	70.4%	74.3%
I am treated fairly	79.5%	85.1%
Change is managed well in my school, business unit, service	55.7%	70.1%
I am aware of the “East Lothian Way”	82.3%	88.1%

Results from the staff survey carried out as part of the self-evaluation of children’s services September 2018

<b>Sample of staff survey questions – responses from children’s services staff</b>	<b>% Agreed or strongly agreed</b>
I feel listened to and respected within my own organisation	90%
I feel valued by other practitioners when working as part of a multi-disciplinary team	90%
I feel meaningfully involved when developing or improving services for vulnerable children, young people and families	63%
My service values the need for me to make and sustain relationships with children/ young people/ their families	90%
Q28 I have access to relevant learning/development opportunities that equip me to competently undertake my role	91%
I have access to regular, high quality, reflective supervision from my manager	86%
I receive effective challenge from my manager about my practice	85%
My manager oversees significant decisions or recommendations I make in relation to children or young people	82%
Leaders communicate clearly the rationale for service improvement /change	67%
Change is managed well in my service	51%

We have a shared approach to self-evaluation and improvement that is embedded in our work	67%
---	-----

- 6.2 In March 2019 ELH&SCP prepared a workforce plan 2019-22 for submission to government<sup>13</sup>. Children’s services reported separately through council processes as the decision had been taken to separate children’s and adult services. Recruitment and retention of social workers was seen as challenging across adult and children’s services due partly to new recruits generally starting at the bottom of the pay scale. This places existing managers under greater pressure in supervising a growing number of newly qualified staff and enhanced levels of training and supervision are required. The Scottish Social Services Council is carrying out a review of post qualifying learning for social workers and services will need to be ready to respond to any additional requirements for a new post qualifying framework to ensure social workers in the workforce have appropriate professional development and career development opportunities. Recruitment of senior practitioners and /managers was also identified as a challenge despite the favourable remuneration levels compared with neighbouring authorities.
- 6.3 At March 2019, East Lothian was 50% below the required level of MHO’s per head of the population as indicated by SSSC. It has been nationally recognised that the MHO services across Scotland are under significant pressure. There has been an increased demand for statutory functions linked to legislative, policy and practice change. These include changes in MHO responsibilities in relation to the Named Person, increased use of Private Guardianships and increased use of multiple Substitute Guardians which places additional demands on the MHO at point of application. In order to address this the service recognises the need to accelerate the current ‘grow our own’ MHO training programme for existing workers while addressing the consequent reduction in experienced staff from the generic adults social work team who take up this career development opportunity.
- 6.4 The increasingly ageing workforce in home care services needs to attract younger recruits. This will require reviewing service models which is already underway and considering innovative approaches to attracting new workers including trainee schemes and apprenticeships.

---

<sup>13</sup>[JJB Workforce Development Plan](#)

## **Learning and Development: Children's Services, Adult Services and Public Protection**

### **Children's Services**

- 6.5 In August 2018, the children's services practice teaching coordinator started a two year secondment at Stirling University. The post was not backfilled so her duties were absorbed within the performance and service improvement team. In 2018/19, staff were offered specific training in Signs of Safety, Safe and Together and court skills training.
- 6.5 The national policy and legislative landscape changes frequently within children's services and staff need to be aware and familiar with new expectations, guidance and policies. The two-hour protected learning sessions are an efficient method of developing staff and the calendar is shared with foster carers and partner agencies (education / health / children's panel /adult services/ third sector). Working in partnership, staff deliver multi-disciplinary training – Child Protection Level 1 (6 times per year) / SMART Planning / Signs of Safety ½ day training / Corporate Parenting / Young Carers / Child Protection Awareness for Probationer Teachers. E-learning modules on Learn Pro are also fully utilised. New starts complete the mandatory modules and others are encouraged to access corporate training as appropriate.
- 6.6 In response to the findings of the self-evaluation, and the need to develop leadership capacity, children's services collaborated with colleagues in corporate services to develop a bespoke leadership development programme for first line managers in social work. This has been accredited by CMI and the first cohort is currently underway. The evaluation and impact of the programme will feature in the 2019/20 CSWO report.

### **Adult Services**

- 6.7 Training programmes were delivered to Social Work assessment staff in 2018/2019 to promote the implementation of both the Carers (Scotland) Act 2016 and the Self Directed Support (Scotland) Act 2013. This included mandatory e-learning modules based on the Equal Partners in Care (EPiC) the national framework for workforce learning relating to unpaid carers. Approximately 90 staff have completed both Level 1 'Carer Aware' and Level 2 'Caring Together' awards. In addition cultural competency training was provided regarding outcomes focused assessment with minority ethnic service users and carers. A related audit of minority carers in East Lothian was planned and will be delivered in 2019/20 with further training for the workforce. In relation to Self-Directed Support the Adult Services workforce received training on 'Option Two' implementation as well as sessions on Delegated Finance Authority, Undertaking Confident Conversations about Technology with Service Users and outcomes focused assessment for Occupational Therapy staff. Training related to the implementation of a pre-paid cards scheme for service users was also provided for Social Work assessment workers in Adult Services.

The Adult Services service provision workforce including Care Homes for Older Adults, Care at Home services, Community Resources for Adults with Disabilities have undertaken the full range of mandatory training including Moving and Assisting training, Infection Control, Contenance Awareness, Food Hygiene, Dementia Promoting Excellence Skilled Level training, Epilepsy training and ‘Team Teach’ Behaviour Management training. In addition the delivery of Higher National Certificate and Scottish Vocational Qualifications in Social Services and Healthcare and Management at SCQF levels 6,7,9 and 10 have ensured that Care Inspectorate and SSSC requirements are met. An initiative to upskill the workforce in the Council’s Care Homes for Older Adults has resulted in 16 Social Care Workers achieving SVQ Social Services and Healthcare SCQF Level 7. Additional candidates have also commenced this award. This will ensure that the Care Home Social Care Worker group is fully qualified at Practitioner level for professional registration with the SSSC.

### **Criminal Justice**

- 6.8 In 2018/19 there was further consolidation of training for social work practitioners – two team members completed their Risk Practice Training so now all staff are fully trained in line with the RMA Guidance. Additionally, one team member completed their Caledonian System Case Manager Training and another undertook training in SA07/RM2000, which enable working with those with sexual convictions. As a result, five practitioners are trained in both Caledonian and working with sexual offenders and three can work with one or other offender type – this latter will be addressed in the coming year.

### **East and Midlothian Public Protection Committee**

- 6.9 Learning and development is one of the core functions of a child protection and adult support and protection committees. In 2018, EMPPC developed its Learning and Practice Development Multi-agency Workforce Strategy 2018-2021<sup>14</sup> setting out the priorities and approaches for the next three years.

Total number of face to face Public Protection training events delivered 58.

Total number of Public Protection training attendees who attended face to face training 1157

Total number of Public Protection Learn-pro modules completed by thematic area  
Adult Support & Protection 706

Child Protection 1,305

Violence against Women and Girls 75

<sup>14</sup> [East & Midlothian Public Protection Committee - Learning & Practice Development Multi-agency Workforce Strategy 2018-2021](#)

- Percentage of training attendees reporting an increase in their knowledge from attending face to face training by thematic area

Adult Support & Protection 78%

Child Protection 89%

Violence against Women & Girls 85%

- Percentage of training attendees reporting that they have enough information to put their learning into practice from attending face to face training 93%

Training that is new for 2018/19

Safe & Together Core Practice Training

Public Protection Face to Face Training Delivered by thematic area

Adult Support & Protection

- Adult Support & Protection Level 1
- Adult Support & Protection Level 2
- Adult Support & Protection Level 3
- Adult Support & Protection Care at Home Train the Trainer
- Adult Support & Protection Care Homes Train the Trainer
- The learning from national SCRs and local ICRs
- Interaction of the 3 Acts

Child Protection

- Interagency Child Protection Risk Assessment & Processes
- Protecting Children with Disabilities
- Supporting Families who Find it Difficult to Engage with Services
- Child Sexual Exploitation Awareness
- Child Affected by Parental Substance Misuse
- SMART Planning
- Vulnerability of Babies

Violence against Women and Girls

- Understanding and Responding to Domestic Abuse
- Supporting Children & Young People Living with Domestic Abuse
- Supporting Survivors of Rape & Sexual Assault
- Supporting Survivors of Childhood Sexual Abuse
- Honour Based Violence
- MARAC –Multi agency Risk Assessment Conference
- Human Trafficking and Exploitation
- Safe & Together Briefings
- Safe & Together Core Practice Training

Public Protection E-learning modules

- Adult Support & Protection Level 1
- Child Protection Level 1
- Capacity & Consent
- CAPSM
- Financial Harm Awareness
- Gender Based Violence

# Section 7: Looking Forward

7.1 The report highlights a wide range of service development and improvements in the planning and delivery of social work and social care that are already underway and progress against these will feature in the 2019/20 report. As the incoming chief social work officer, I would highlight the following as areas to anticipate will bring both achievements and challenges in the coming year:

- Transforming our community services for adults with complex needs
- Ensuring we can recruit and sustain a workforce that is trained and skilled to deliver services for the future.
- Preparing for inspection: We need to ensure our approaches to self-evaluation and continuous improvement are embedded in practice, policy and planning.
- Anticipating the findings of the Independent care review
- Sustainability of our Champion's Board
- Developing and publishing the new Children's Services Plan 2020-23 and Corporate Parenting Plan 2020-23
- Transforming children's services: implementing findings from the vulnerable children's project
- Integration of social work within the core adult mental health and learning disability services
- Planning and managing transitions for young people with complex needs

Judith Tait  
Chief Social Work Officer  
10 October 2019



## Appendix 1

### East Lothian Council Plan 2018/19 Top 50 Indicators

Growing our People						
<b>Reduce the attainment gap (SG3)</b>	12	% of pupils from deprived areas gaining 5+ awards at level 5	35%	31%	Available Nov 2019	S. Average (42%)
<b>Raise the attainment of our children and young people (SG4)</b>	13.	% of school leavers attaining literacy and numeracy at SCQF Level 5 or above	63.2%	61.3%	Available Nov 2019	S. Average (67.1%)
	14. (T.3)	% of school leavers attaining 3 or more SCQF at Level six	50.4%	50.4%	Available Nov 2019	S. Average (50.3%)
	15.	School exclusion rate per 1,000 pupils – Secondary and Primary	35.9	34.14	16.8%	S. Average (26.8)
Meet stretching positive destination targets	16.	% participation rate for 16-19yr olds	93.1%	94.7%	94%	95%
<b>Improve the life chances of the most vulnerable people in our society – vulnerable children (SG5)</b>	17. (T.4)	The % of young people receiving After Care, for whom a destination is known, who are in a positive destination (i.e. Employment, Training or Education)	N/A	49% (34 out of 69)	37% (27 out of 73)	53% (2020)
	18.	% of Looked After Children who feel settled where they live (8-17yr olds)	N/A	72%	92%	85% (2020)
<b>Improve the life chances of the most vulnerable people in our society – vulnerable adults (SG5)</b>	19.	% of under 65 with long-term care needs receiving personal care at home	N/A	78%	74.64%	Target to be agreed by IJB
	20.	% of all under 65 non-residential service users receiving care under SDS Options 1, 2 and 3	N/A	65%	68.6%	Target to be agreed by IJB

<b>Improve the life chances of the most vulnerable people in our society – older people (SG5)</b>	21. (T.5)	% of 65+ with long-term care needs receiving personal care at home	63.5%	63.9%	60.9%	Target to be agreed by IJB
	22.	% of all 65+ non-residential service users receiving care under SDS Options 1, 2 and 3	N/A	21%	18.5%	Target to be agreed by IJB
Enable provision of 1140 hours of early learning and childcare for all 3 & 4 yr olds	23.	% of eligible 3 & 4 yr olds accessing 600 hours of early learning and childcare (1140 hours from 2020)	N/A	99%	98%	99%
Take concerted action to tackle obesity in children	24.	% of children in Primary 1 who are overweight or obese using epidemiological ('at risk') and clinical ('critical') measurements	At risk: 22% Critical: 15.6%	N/A	N/A	At risk: 18% Critical: 13% (2020)
	25.	% of primary school pupils benefitting from at least 2 hours per week of physical education and % of secondary school pupils (S1 to S4) benefitting from two periods of P. E. per week	100%	100%	100%	100%
Continue to develop services that aim to reduce hospital admissions and delayed discharge of older people	26.	Number of days people spend in hospital when they are ready to be discharged (18+)  The published information by ISD for 2018/19 is provisional as a result of information not being fully verified. As the information is verified, this information will be updated in due course	14,762	10,688 (Target: 9,677)	7,839	7,381 (Proposed 2019/20)
	27.	Emergency/ Unplanned hospital admissions (18+)	7,650	8,242 (Target: 7,268)	6,640 (Q1-Q3 2018-19) Data for Q4 still not complete	7,268 (Proposed 2019/20)

Reduce Inequality/ Poverty	28.	% of children in families with limited resources 'living in a household whose income is less than 70% of median net household income and experiences material deprivation'	N/A	8% (2014-16)	5% (2014-17)	6.5% (2023) National targets – 8% by 2023; 5% by 2030
	29.	% of children living in households with less than 60% of median net household income after housing costs	N/A	18.9% (Sept 2017)	17% (March 2018)	16% (2023) National targets – less than 18% by 2023; less than 10% by 2030

## Appendix 2

### East Lothian Health and Social Care Partnership Performance Framework

<b>94%</b>	1. Adults are able to look after their health very well or quite well		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	96	n/a	94	n/a
		Scotland	n/a	95	n/a	93	n/a

<b>72%</b>	2. Adults supported at home agreed that they are supported to live as independently as possible		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	84	n/a	72	n/a
		Scotland	n/a	83	n/a	81	n/a

<b>68%</b>	3. Adults supported at home agreed they had a say in how their help care or support was provided		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	79	n/a	68	n/a
		Scotland	n/a	79	n/a	76	n/a

<b>66%</b>	4. Adults supported at home agreed that their health and social care services seemed to be well coordinated		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	76	n/a	66	n/a
		Scotland	n/a	75	n/a	74	n/a

<b>75%</b>	5. Adults receiving any care or support rated it as excellent or good		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	85	n/a	75	n/a
		Scotland	n/a	81	n/a	80	n/a

<b>80%</b>	6. Adults had a positive experience of the care provided by their GP practice		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	85	n/a	80	n/a
		Scotland	n/a	85	n/a	83	n/a

<b>75%</b>	7. Adults supported at home agreed their services and support had an impact on improving or maintaining their quality of life		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	91	n/a	75	n/a
		Scotland	n/a	83	n/a	80	n/a

<b>36%</b>	8. Carers feel supported to continue in their caring role		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	45	n/a	36	n/a
		Scotland	n/a	40	n/a	37	n/a

<b>81%</b>	9. Adults supported at home agreed they felt safe		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	86	n/a	81	n/a
		Scotland	n/a	83	n/a	83	n/a

<b>333 per 100,000</b>	11. Premature mortality rate		2014	2015	2016	2017	2018p
		East Lothian	n/a	n/a	375	372	333
		Scotland	n/a	n/a	440	425	432

<b>10,035 per 100,000</b>	12. Emergency admission rate		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	n/a	9,622	10,338	10,035
		Scotland	n/a	n/a	12,215	12,192	11,492

<b>94,445 per 100,000</b>	13. Emergency bed day rate		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	n/a	121,931	120,782	94,445
		Scotland	n/a	n/a	126,988	123,035	107,921

<b>94 per 1,000</b>	14. Readmission rate to hospital within 28 days		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	n/a	100	106	94
		Scotland	n/a	n/a	100	103	98

<b>89%</b>	15. Of the last 6 months of life is spent at home or in a community setting		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	n/a	86	86	89
		Scotland	n/a	n/a	87	88	89

<b>19.6 per 1,000</b>	16. Falls rate (65+)		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	n/a	18.9	18.8	19.6
		Scotland	n/a	n/a	20.8	22.7	21.6

<b>84%</b>	17. Care services graded GOOD (4) or better in Care Inspectorate inspections		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	n/a	77	85	84
		Scotland	n/a	n/a	84	85	82

<b>??%</b>	18. Adults with intensive care needs are receiving care at home		2014	2015	2016	2017	2018p
		East Lothian	n/a	n/a	65	64	
		Scotland	n/a	n/a	62	61	

<b>648 per 1,000</b>	19. The number of days people spend in hospital when they are ready to be discharged		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	n/a	1,158	775	648
		Scotland	n/a	n/a	841	762	805

<b>21%</b>	20. Health and care resource spent on hospital stays where patient was admitted as an emergency		14/15	15/16	16/17	17/18	18/19p
		East Lothian	n/a	n/a	23	25	21
		Scotland	n/a	n/a	24	25	22



**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Depute Chief Executive (Resources and People Services)

**SUBJECT:** Proposed Amendments to Standing Orders

---

**13**

## **1 PURPOSE**

- 1.1 To advise Members of proposed changes to the Council's Standing Orders.

## **2 RECOMMENDATIONS**

Council is requested to:

- 2.1 approve the proposed amendments to the Council's Standing Orders, as set out in Appendix 1 to the report;
- 2.2 approve the proposed amendments to the Standing Orders Appendix 1 – Scheme of Administration, as set out in Appendix 2 to the report;
- 2.3 note that the Scheme of Delegation will be redesigned and presented to Council for approval in due course;
- 2.4 approve the removal of Appendices 3-7 from the Standing Orders and re-designate these documents as supporting documents; and
- 2.5 add to the suite of supporting documents the Councillor's Role Descriptions (attached at Appendix 3) and the Standards Commission for Scotland Advice Note for Councillors on Distinguishing between Their Strategic Role and Any Operation Work (attached at Appendix 4).

## **3 BACKGROUND**

- 3.1 Members are advised that a review of the Council's Standing Orders has recently been undertaken. A number of changes to the text of Standing Orders and the Scheme of Administration are proposed, and these are set out in Appendices 1 and 2 of this report.

- 3.2 In response to feedback from Members and Chief Officers, the Scheme of Delegation will be redesigned to make it more accessible and concise. The revised Scheme of Delegation will be presented to Council for approval in due course.
- 3.2 It is proposed that the existing Appendices 3-7 of the Standing Orders be re-designated as 'supporting documents'. The Schemes of Administration and Delegation (Appendices 1 and 2 of Standing Orders) would remain as appendices, as these two documents are inextricably linked to the Standing Orders.
- 3.3 It is also proposed that the documents attached at Appendices 3 and 4 – Councillor Role Descriptions, and Standards Commission for Scotland Advice Note for Councillors on Distinguishing between Their Strategic Role and Any Operation Work – are added to the suite of Supporting Documents.
- 3.2 If approved, the changes set out in the Appendices to this report 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



<b>AUTHOR'S NAME</b>	Lel Gillingwater
<b>DESIGNATION</b>	Team Manager – Democratic and Licensing
<b>CONTACT INFO</b>	<a href="mailto:lgillingwater@eastlothian.gov.uk">lgillingwater@eastlothian.gov.uk</a>
<b>DATE</b>	8 October 2019



**1 FIRST MEETING OF THE COUNCIL FOLLOWING AN ELECTION**

**1.1 Convening the Meeting**

In an election year, the Council will hold its first meeting within 21 days from the date of the election. The Chief Executive will set the date and time of this first meeting.

**1.2 Mandatory Items of Business**

Until the Provost is elected the Returning Officer will chair the meeting.

At this meeting the Council will:

- i. Receive notice of election of Councillors, noting which Councillors have signed the declaration of acceptance of office
- ii. Appoint the Provost, Depute Provost, Leader (and Depute Leader, if desired) of the Council
- iii. Receive notice of the appointments of Leaders of Minority Groups and, from those, appoint the Leader of the Opposition
- iv. Appoint the Cabinet, other Committees and Sub-Committees of the Council and their respective Conveners and Depute Conveners, noting that all Groups will be required to make nominations for membership in accordance with the committee/sub-committee composition, as determined by the Council
- v. Appoint portfolio holders
- vi. Appoint representatives to any Joint Boards, Associated Committees and the various other outside bodies the Council is represented on, provided these appointments can be reasonably made at that meeting and it is considered appropriate to make appointments at that time
- vii. Set the allowances of the Provost, Depute Provost, Conveners and Vice-Conveners of Committees and other Members in accordance with the relevant statutory provisions and guidance from the Scottish Government
- viii. Appoint the Licensing Board in terms of the Licensing (Scotland) Act 2005
- ix. Deal with any other statutory or urgent competent business.

Formatted: Font: (Default) Arial, 12 pt

Formatted: Font: (Default) Arial, 12 pt

## **2 COUNCILLOR APPOINTMENTS AND REMOVAL FROM OFFICE**

### **2.1 Appointment of Councillors to Office**

- i. When appointing Councillors to any office or position where there are a greater number of candidates than vacancies, the decision will be taken by a vote (see Standing Order 10).
- ii. It will not be competent for a Councillor to move or second his/her own election or appointment either as Provost, Depute Provost, Leader or Depute Leader of the Council, or as Convener or Depute Convener of a Committee of the Council.
- iii. Where there is one vacancy and one candidate has an absolute majority of the votes cast, that candidate will be appointed. If no candidate has an absolute majority the candidate with the fewest votes will be eliminated and another vote taken. This process of elimination will continue until one candidate has an absolute majority.
- iv. Where there is an equal number of votes for the candidates with the fewest number of votes, there will be an additional vote to decide which candidate to eliminate. If there are an equal number of votes in the additional vote between two candidates, the elimination will be decided by drawing lots.
- v. Where there is one vacancy and an equal number of votes between two candidates, the appointment will be decided by drawing lots.
- vi. Where there is more than one vacancy, the candidate with the lowest vote will be eliminated and another vote taken. This process of elimination will continue until there are an equal number of candidates to the number of vacancies.

### **2.2 Duration of Appointments**

Unless a Councillor resigns from any appointment or is removed by the Council, each of the appointments referred to in Standing Order 1.2 will stand until the next Council election.

### **2.3 Removing the Provost, Committee Conveners and Committee Members**

- i. The Council may remove the Provost, Depute Provost, Leader, Depute Leader, any Convener or Depute Convener of a committee or any member of a committee (this includes appointed members and added members).
- ii. Any motion for removing the Provost, Depute Provost, Leader, Depute Leader, Convener, Depute Convener or any member of a committee may be carried by a simple majority of those members present and eligible to vote at the meeting at which the motion is put.

### **3 COMMITTEES, SUB-COMMITTEES AND ASSOCIATED COMMITTEES**

#### **3.1 Committees**

- i. Subject to any statutory provision, the Council may at any time appoint committees to help carry out its functions. The powers and duties of these committees will be incorporated into the Scheme of Administration (Appendix 1 to these Standing Orders). In the event that any new committees are appointed, the Council shall determine the membership of those committees and shall ensure that political balance is achieved. This Standing Order should be read in conjunction with the Scheme of Administration.
- ii. The Council may amend the committee structure at any time.
- iii. The Provost's powers in Council meetings will apply to the Convener (or Depute Convener) of a committee for meetings of that committee and to any member of a committee chairing a committee in the absence of the Convener and Depute Convener for meetings of that committee.

#### **3.2 Sub-Committees**

The Council may establish any sub-committee of its committees, their remits, delegated powers and number of members, and appoint the conveners and members of these sub-committees. The powers and duties of these sub-committees will be incorporated into the Scheme of Administration (Appendix 1 to these Standing Orders).

#### **3.3 Associated Committees**

The Council may establish any associated committee, their remit, delegated powers and number of members, and appoint the conveners and members of these associated committees. The powers and duties of these associated committees will be incorporated into the Scheme of Administration (Appendix 1 to these Standing Orders).

#### **3.4 Members' Library Service**

The Chief Executive will maintain a Members' Library Service, which will contain:

- (a) reports advising of significant items of business which have been delegated to officers ~~Councillors/officers~~—in accordance with the Scheme of Delegation or officers in conjunction with Councillors (see Standing Order 15.2); or
- (b) background papers linked to specific committee reports; ~~or~~
- ~~(c) items considered to be of general interest to Councillors.~~

A summary of all papers lodged in the Members' Library will be presented at the next ordinary meeting of the Council for recording into the proceedings of

the Council. Reports to the Members' Library will be made available to the public except where they contain exempt or confidential information as defined in Schedule 7A of the 1973 Act or Section 50A of the 1973 Act.

## 4 ORDINARY AND ADDITIONAL MEETINGS OF THE COUNCIL AND COMMITTEES

### 4.1 Ordinary Meetings

Ordinary meetings of the Council and its committees will be held according to the schedule agreed by the Council, unless the Council agrees otherwise.

At an ordinary meeting of the Council or a committee no business will be transacted other than:

- i. business required by statute to be transacted at that meeting
- ii. business specified in the Notice of Meeting (see Standing Order 4.3)
- iii. any other business considered as a matter of urgency in terms of Section 50B(4)(b) of the 1973 Act and Standing Order 5.2.

### 4.2 **Additional Special Meetings**

~~An additional special~~ meeting of the Council or a committee may be called to deal with urgent business:

- i. at any time by the Chief Executive, in consultation with the Convener; or
- ii. by a written request signed by at least 6 Councillors. In such cases, the additional special meeting will be held within 14 days of receipt of the request by the Chief Executive; or
- iii. as required by statute.

The agenda for an additional meeting will be limited to that item/those items of business specified.

### 4.3 Notice of Meetings to Members of the Council and Committees

- i. At least three clear ~~working~~ days before a meeting of the Council or any committee, notice of the time and place of the meeting will be published. As a matter of practice, seven clear days' notice of meetings will normally be given. Note: clear days includes week days, weekends and public holidays, but excludes the day the notice is issued and the day on which the meeting is held.

Formatted: Font: (Default) Arial, 12 pt

Formatted: Font: (Default) Arial, 12 pt

Formatted: Font: (Default) Arial, 12 pt

- ii. Where the meeting is called by Councillors in terms of Standing Order 4.2(ii), the notice will include a copy of the request signed by them and will specify the business to be discussed at the meeting.
- iii. ~~The Councillors will be provided with the meeting agenda and accompanying papers-reports will be delivered to every Councillor at his/her usual place of residence or their preferred address.~~ If a notice of meeting is not received by any Councillor, the meeting will still be valid.
- iv. All Councillors will have access to all committee papers, including those containing exempt and confidential information (as defined in Standing Order 5.4).

#### **4.4 Notice of Meetings to the Press and Public**

- i. Copies of the items set out in the Notice of Meeting will be made available on the Council website ([www.eastlothian.gov.uk](http://www.eastlothian.gov.uk)).
- ii. Reports containing exempt or confidential information (as defined in Standing Order 5.4) will not be made available to the press or public.

#### **4.5 Postponing, Continuing and Cancelling Meetings**

- i. In consultation with the Convener, the Chief Executive may postpone any meeting to another day or time.
- ii. Any motion to continue a meeting which has already started to another day or time must be seconded before being put to the vote.
- iii. Where a sub-committee meeting is continued, no member should attend who did not attend the original meeting (see also Standing Order 6.4)
- iv. Scheduled meetings may be cancelled where there is no business to be discussed or with the agreement of the Chief Executive, in consultation with the Convener.

### **5 MEETING AGENDAS**

#### **5.1 Order of Business**

- i. The order of business for a Council or committee meeting will be agreed by the Chief Executive and Convener. Any changes to the order of business will be announced by the Convener at the beginning of the meeting. Items containing exempt or confidential information will normally be discussed following public items.

- ii. Unless determined otherwise by the Chief Executive, only business requiring a decision will be specified on the agenda.
- iii. The Convener may make a statement at the start of a meeting on any matter of civic importance. There will be no debate on such matters, unless determined otherwise by the Convener.

## 5.2 Urgent Business

If three clear ~~working-days~~ notice are not given for an item of business, it may be dealt with at the meeting as urgent business if:

- i. it is made known at the start of the meeting; and
- ii. the Convener rules that there are reasons why it is urgent and states those reasons.

## 5.3 Written Motions to Council

- i. Written motions intended for inclusion on the agenda for a meeting of the Council will be signed by the Councillor submitting the motion and countersigned by at least one other Councillor. All such notices should be submitted to the Clerk ~~eight-eleven~~ clear ~~working~~-days in advance of the meeting date. If this deadline is missed, the motion will not be included on the agenda. Motions will be included on the agenda for the meeting in the order in which they are received.
- ii. Every motion must contain an instruction to Council and be relevant to matters within the Council's powers and duties or involve an issue that will affect East Lothian or a matter of social and political concern.
- iii. Motions may not contain offensive or abusive language and may not contain argument. The Chief Executive, in consultation with other Council officers, may refuse to accept any motion that fails to meet these requirements.
- iv. Every written motion received will be subject to checks to determine their competency, which will include:
  - (a) whether they have been submitted in accordance with Standing Order 5.3(i);
  - (b) the purpose of the motion is within the powers of the Council;
  - (c) the motion is lawful; and
  - (d) whether the purpose of the motion seeks to directly rescind a decision made by the Council or Committee within the previous six months (in which case approval of two-thirds of Councillors present and entitled to vote would be required).



#### 5.4 Exempt and Confidential Information

- i. Agendas and reports containing exempt information (exempt items) will contain a declaration that the report is 'Not for publication' because it contains exempt information as defined in Schedule 7A of the 1973 Act.
- ii. The press and public will not be admitted during the discussion of exempt items. ~~This Standing Order will not apply to any Councillor.~~
- iii. If a question arises at a Council or committee meeting where the press or public is present as to (a) the appointment, promotion, salary or conditions of service, or (b) as to the dismissal, conduct, character or reputation of any person(s) employed by the Council, or (c) confidential information as defined in Section 50A of the 1973 Act, it will be considered by the Council or committee in private.

### 6 GENERAL OPERATION OF COUNCIL AND COMMITTEE MEETINGS

#### 6.1 Chairing Meetings

- i. The Provost, if present, will be the Convener of Council meetings. If the Provost is not present, the Depute Provost will chair the meeting. If neither the Provost nor the Depute Provost is present, the Councillors present will decide who will chair the meeting by means of nomination and a simple majority vote.
- ii. The Convener, if present, will chair committee/sub-committee meetings. If the Convener is not present, the Depute Convener will chair the meeting. If neither the Convener nor the Depute Convener is present, the Councillors present will decide who will chair the meeting by means of nomination and a simple majority vote.
- iii. If a Convener is required to vacate the chair due to a declaration of interest, the Depute Convener will assume the chair. If the Depute Convener is not present, the Councillors present will decide who will assume the chair by means of nomination and a simple majority vote.

#### 6.2 Quorum

- i. No business will be carried out at a meeting unless a quorum of Councillors is present. A quorum is the minimum number of Council/committee members who must be present before the meeting can take place and make valid decisions.
- ii. The quorum of the Council, committees and sub-committees will be detailed in the Council's Scheme of Administration (see Appendix 1).

- iii. If ~~10~~ten minutes after the time appointed for a meeting the quorum has not been met, the Convener will postpone the meeting until a date and time determined at the time or afterwards. The minutes of the meeting will record that no business was carried out due to the lack of a quorum.

~~iv. If, after a meeting has started, the number of Councillors entitled to vote falls below the quorum, there will be a break of ten minutes. If, at the end of the ten minute~~after the break, a quorum ~~cannot be~~has not been found, the meeting will be adjourned and the minutes of the meeting will state the reason for the adjournment.

- iv. Decisions taken during any part of the meeting where there was a quorum present are valid.

### 6.3 Attendance at Meetings

- i. At each meeting, the Clerk will record the names of Councillors present, those committee members who submit apologies for absence, and those committee members who are absent without having submitted an apology.
- ii. ~~The entitlement to vote on any matter under consideration will be restricted to committee members present at the meeting. Direction on councillor participation in meetings of any committee of which they are not a member is set out in within the Scheme of Administration for each committee. All Councillors will have the right to attend meetings of any committee of which they are not members and to make a statement on any matter under consideration, but only committee members will be entitled to vote.~~

### 6.4 Substitute Members

- i. In respect of sub-committees of the Council, and of other committees, as stipulated in the Scheme of Administration, members may appoint another member of the Council as a substitute member to act on their behalf at any meeting which they are unable to attend. This Standing Order should be read in conjunction with Standing Order 4.5(iii) and the Scheme of Administration.
- ii. Where a member is unable to attend a meeting and has appointed a substitute (in accordance with the Scheme of Administration), they will advise the Clerk in advance of the name of the Councillor who will act as substitute.

### 6.5 Failure to Attend Meetings

- i. If a Councillor is not able to attend a meeting, he/she should inform the Clerk ~~to the Council or of that~~ committee in advance of the meeting. The Clerk will advise the meeting of apologies intimated prior to the

commencement of business. ~~Only those apologies will be recorded in the minutes.~~

- ii. If a Councillor fails to attend meetings for six consecutive months of any meeting of the Council or its committees and sub-committees, associated committees or joint boards on which the Councillor represents the Council, the Councillor will no longer be a member of the Council unless the Council grants them prior leave of absence.

## **6.6 Press and Public Attendance at Meetings**

- i. Except where Standing Order 5.4 provides otherwise, every meeting of the Council, its committees and sub-committees will be open to the press and public as observers.
- ii. The taking of photographs, use of mobile phones and of other audio visual and recording equipment is not permitted during meetings unless with the express permission of the Convener.
- iii. If a member of the public interrupts any meeting, the Convener may issue a warning to the person creating the disturbance or may order that person to be removed from the meeting. If they refuse to leave the meeting, the Convener may call for the Police to remove them.
- iv. If there is a general disturbance during any part of the meeting open to the public, the Convener may order that the public be removed from the meeting.
- v. Members of the public will not be permitted to address any meeting of the Council, its committees or sub-committees, except where they have the prior permission of the Convener. It will be at the discretion of the Convener to permit any member of the public to address any meeting (see also Standing Order 7.1).

## **7 CONDUCT AT COUNCIL AND COMMITTEE MEETINGS**

### **7.1 Powers and Duties of the Convener**

- i. It is the duty of the Convener to ensure that Standing Orders are followed and to ensure that all Councillors receive a fair hearing.
- ii. When the Convener begins to speak, other Councillors must stop speaking.
- iii. The Convener will decide on the order in which Councillors may speak.
- iv. On all points of order, the ruling of the Convener will be final and not open to discussion.

- v. In the event of disorder arising at any meeting, the Convener will be entitled to adjourn the meeting until a date and time determined by the Convener at the time or afterwards.
- vi. It will be at the discretion of the Convener to permit any member of the public or deputation to address any meeting of the Council, provided that prior permission has been sought and granted by the Convener.
  - a. In respect of any item of business, other than planning applications, the number of persons in a deputation will not exceed three and will be given no more than ten minutes in total to present their case.
  - b. In respect of planning applications, applicants/agents and individuals who have submitted written representations will be invited to attend the Planning Committee and offered the opportunity to address the Committee, in accordance with the procedures outlined in the Scheme of Administration for the Planning Committee (Appendix 1).
  - c. Councillors will not interrupt the delivery of a presentation but may ask questions on its conclusion.
- vii. The Convener will have discretion to determine all questions of procedure where no specific provision is made under these Standing Orders. He/she will explain the reasons for the decision and his/her decision will be final and not open to discussion.

## 7.2 Behaviour

All Councillors must comply with the Councillors' Code of Conduct and behave respectfully at any meeting, and should not behave in a manner that is improper or offensive or deliberately obstructs or otherwise disrupts the business of the meeting.

The Convener may take any of the following courses of action against any Councillor disregarding the authority of the Convener, obstructing the meeting or conducting him/herself offensively:

- i. direct the Councillor to refrain from speaking during the remainder of the debate on the matter under discussion
- ii. adjourn the meeting for a period of time specified by the Convener
- iii. suspend the Councillor for the remainder of the meeting and direct him/her to leave the Chamber, in which case the Councillor concerned shall leave the Chamber immediately.

Formatted: Indent: Left: 1.24 cm, Hanging: 1.3 cm

Formatted: Indent: Left: 1.24 cm, Hanging: 1.3 cm

### 7.3 Points of Order

- i. A point of order is a verbal objection given to the Convener, saying that a statement or proposed procedure or action at the meeting may be in breach of the law, ~~or Standing Orders~~ or the Councillors' Code of Conduct ~~or that the meeting is being misled~~. The term 'point of order' does not include the arguments, the principles or the political views expressed in debate, or relate to how true or accurate any statement made in the course of debate is. A difference of opinion is not a point of order.
- ii. Any Councillor ~~(voting or non-voting)~~ eligible to participate in the meeting may raise a point of order arising at any point in the meeting, but must clearly tell the meeting on what basis a Standing Order, ~~the~~ or law or the Councillors' Code of Conduct has been, or is about to be, breached, ~~or on what point the meeting is being misled~~.
- iii. ~~A Councillor who is addressing the meeting w~~When a point of order is raised, the meeting will stop until the Clerk or Legal Adviser has ~~explained~~ determined whether or not the point raised is a point of order. If the point of order is confirmed by the Clerk or Legal Adviser ~~as a point of order~~, the Convener will decide how the point of order should be dealt with. If the point is not confirmed to be a point of order, it will not be accepted and the business will continue.

### 7.4 Declarations of Interest – Councillors

- i. Any Councillor who has an interest (financial and/or non-financial), as defined in the Councillors' Code of Conduct ~~(see Appendix 4)~~, in any matter and is present at a meeting of the Council at which that matter is under consideration, will act in accordance with the Councillors' Code of Conduct. He/she should seek the advice of the Monitoring Officer and take account of legal advice, where appropriate, on the terms of the Code and how it may affect them.
- ii. Applications to the Council for any grant, approval or permission in which any Member has a personal or financial interest will be considered only by the Council or the appropriate committee or sub-committee.

### 7.5 Declarations of Interest – Council Officers

Any officer who has an interest (financial and/or non-financial) in any matter and is present at a meeting of the Council at which that matter is under consideration, will disclose his/her interest and, at the discretion of the Council, may be excluded from the meeting while that matter is under consideration.

## 7.6 Adjournments and Breaks

- i. The Convener may adjourn a meeting at any time for any reason, and will determine the length of the adjournment.
- ii. Subject to the Convener's effective management of the meeting, there will be a 30-minute break after approximately three hours of sitting.

## 8 INTRODUCING REPORTS AND QUESTIONS TO OFFICERS

- i. Reports to the Council and committees will be introduced, without interruption, by the officer who has responsibility for the report.
- ii. Unless the Convener agrees otherwise, an officer will take no more than five minutes to present a report and will highlight the salient points to Councillors.
- iii. In accordance with the Scheme of Administration, tThe Convener will then give Councillors the opportunity to ask questions and request explanations or more information from that officer or from any other officer at the meeting who holds information that is relevant to the matter under consideration. To promote the effective management of the meeting, Councillors should seek clarification on any points from officers in advance of the meeting. On that basis, the Convener may limit the number and extent of questions raised by individual Councillors at the meeting.
- iv. Once the report has been introduced and when, in the opinion of the Convener, Councillors have had a reasonable opportunity to ask questions and request explanations or more information, the Convener will move to the debate.

## 9 DISCUSSION AND DEBATING RULES

### 9.1 Reports to Council and Committee

Motions for approval of a report's recommendations will be considered as the original motion. Any motion proposing to alter the recommendation(s) of the report will be dealt with as an amendment.

### 9.2 Written Motions

- i. Motions submitted in accordance with Standing Order 5.3 must be set out in writing before they can be debated or put to a vote.
- ii. Motions must be moved and seconded before they are debated or put to a vote.

- iii. Individuals present at a meeting who do not have voting rights may not move or second a motion.

### 9.3 Amendments

- i. Amendments must relate to the report or motion under discussion.
- ii. Other than in exceptional circumstances (see (x) below), and in relation to the terms set out in (xi) below, amendments should be submitted to the Clerk by noon on the day prior to the meeting, in order that copies can be circulated to Members prior to or at the meeting.
- ~~iii. Only in exceptional circumstances will the Convener accept amendments submitted out with the timescale set out in (ii) above. In such circumstances, the Convener will explain his/her reasons for accepting the late amendment. Amendments will be collated by the Clerk and circulated to Councillors in advance of or at the meeting.~~
- iv. Every amendment shall be given in writing to the Clerk.
- ~~iv. The Convener has the power to rule out of order any amendment he/she considers irrelevant or substantially similar to the motion or to any previous amendment.~~
- ~~vi. Amendments must be moved and seconded before they can be debated or put to a vote.~~
- ~~vii. Individuals present at a meeting who do not have voting rights may not move or second an amendment.~~
- ~~viii. Amendments submitted in accordance with the timescales set out in (ii) above will be introduced following the presentation of the report by the officers/the moving and seconding of a motion by Councillors. Where more than one amendment has been submitted, the Convener will determine the order in which they are taken. Only one amendment may be debated at the one time.~~
- ~~vii. Notice of any second or subsequent amendments must be given before the end of the debate on the current amendment. If notice is not given at the right time, the amendment(s) will not be accepted.~~
- ~~viii. Where more than one amendment is moved and seconded, the Convener will determine the order in which they are put to the vote. However, where an amendment is the 'direct negative' of the original motion, the vote on this direct negative amendment will be taken first. If the direct negative amendment is carried, any remaining amendments and the original motion will therefore fall.~~

Formatted: Font: (Default) Arial, 12 pt

Formatted: Normal, Indent: Left: 0 cm, First line: 0 cm

Formatted: Font: (Default) Arial, 12 pt

Formatted: Normal, Indent: Left: 0 cm, First line: 0 cm

- ix. Once all amendments have been moved and seconded, the Convener will move to the debate.
- x. Exceptional circumstances shall include a written amendment submitted outwith the timescale set out in (iii) above or a verbal amendment made in response to matters raised during the debate. Such amendments should be proposed and seconded and put to the Council or committee in accordance with Standing Order 10.1 (iii). Where requested, the proposer of a verbal amendment may be required to provide the clerk with the amendment in writing.
- xi. For the purpose of the budget-setting process, specific arrangements, as determined by the Council, will be made as regards the timescales for and submission of amendments.

#### **9.4 ~~Speaking on a Motion or Amendment~~Order of Debate**

- i. Any Councillor wishing to ask questions relating to the matter under consideration may do so at any time before the formal debate begins. (This Standing Order should be read in conjunction with Standing Orders 8(iii) and 8(iv).
- ii. Councillors may speak only once during the debate on any item of business. The exceptions are:
- to exercise a right of reply, in which case the proposer of the original motion will be limited to five minutes and that the reply will be limited to answering matters raised in the debate; or
  - by making a point of order that the Convener has agreed to take.
- iii. A Councillor moving a motion or an amendment may speak for no more than ten minutes.
- iiii. Other Councillors taking part in the discussion, including those who second motions or amendments, will speak for no more than five minutes. A councillor who seconds a motion or amendment may do so formally, reserving his/her entitlement to speak on the matter to a later stage in the debate.
- iv. The Convener may invite officers to clarify matters or provide further information on the matter under consideration, as required, during the debate.

Formatted: Indent: Left: 2.5 cm, Hanging: 0.75 cm, Bulleted + Level: 1 + Aligned at: 3.17 cm + Indent at: 3.81 cm

#### **9.5 Withdrawing a Motion or Amendment**

A motion or amendment can only be withdrawn by the mover (the person who put forward the motion) and the seconder (the person who supported it).



## 9.6 Putting a Motion to Council

The Convener will put the motion to the Council after the mover of a motion (or motion as amended) has exercised their right of reply. There will be no further debate on the motion.

## 10 VOTING AT COUNCIL AND COMMITTEE MEETINGS

### 10.1 General Information

- i. Unless required by law or Standing Orders, every motion coming to or arising at a Council meeting will be decided by a show of hands of a simple majority of the Councillors who are present and eligible to vote.
- ii. After the Convener has announced that any matter is to be put to the vote, the Clerk will (if required) clarify the matter. The Convener will then take the vote. No Councillor will interrupt the proceedings until the result of the vote is announced.
- iii. Where an amendment has been proposed and seconded, it will be voted on before the vote on the motion. Where the amendment is carried, the original motion will fall. Where more than one amendment has been proposed and seconded, the Convener will determine the order in which they are put to the vote. A vote will be taken on the motion against the first amendment. A vote will then be taken on the surviving position against the second amendment. This process will continue for any further amendments. All councillors are entitled to vote at all stages.
- iii. If a Councillor immediately challenges the accuracy of the count, the Convener will rule on whether the vote should be repeated and a recount taken. The Convener will then announce the result of the vote.
- iv. ~~The Convener will ask firstly for votes on any amendment(s) and then for votes on the motion, in accordance with Standing Order 9.3(viii). The Convener will then announce the result of the vote.~~
- v. Unless the law says otherwise (or in relation to Standing Order 10.3(iii)), the Convener will have a 'casting vote'. He/she may use this where there are an equal number of votes for or against any motion or amendment.

### 10.2 Roll Call Vote

- i. Any Councillor (whether or not eligible to vote) can ask for a roll call vote on any question coming to or arising at a meeting.

- ii. If a vote is taken by roll call, the names of those Councillors voting for or against the motion or amendment will be included as part of the minutes for the meeting.

### **10.3 Entitlement to Vote**

- i. Councillors who have withdrawn from the meeting following a declaration of interest may not vote on the item concerned.
- ii. Councillors attending committees of which they are not members will not be entitled to vote [\(see also Standing Order 6.3\(ii\)\)](#).
- iii. The Convener will not have a casting vote in relation to filling of posts held by Councillors or other representatives and in the appointment of employees.

### **10.4 Recording Votes in the Minutes**

- i. The minutes of the meeting will record the vote, including any abstentions.
- ii. A Councillor may ask that the minutes of the meeting record a note of his/her disagreement with a decision of the meeting.

## **11 PROCEDURAL MOTIONS**

The following procedural motions may be moved during the discussion of an item of business. If the motions have been moved and seconded, they will be put to the vote without being discussed beforehand. The outcome of the vote will be recorded in the minutes of the meeting:

- i. Moving to the next item of business
- ii. Putting the matter to the vote
- iii. Postponing the debate
- iv. Continuing an item of business

## **12 RESCINDING DECISIONS**

Any motion that would directly rescind a previous Council decision within a period of six months from the date of the original decision can only be approved if two-thirds of Councillors present and entitled to vote agree to do so. This Standing Order does not apply to decisions taken under powers delegated to officers.

## 13 SUSPENDING AND AMENDING STANDING ORDERS

### 13.1 Suspending Standing Orders

Standing Orders may be suspended at any meeting of the Council. This can only take effect where at least two-thirds of the Councillors present and entitled to vote approve such a motion. Any such suspension of Standing Orders cannot override a legal duty or requirement of the Council.

### 13.2 Amending and Removing Standing Orders

- i. Any proposal to add, alter or remove any Standing Order can only be approved where at least two-thirds of the Councillors present and entitled to vote agree to do so. A motion to this effect can only be considered at a meeting of the Council and not at any committee or sub-committee.
- ii. Any proposal to add, alter or remove ~~any appendix~~ Appendices 1 and 2 to the Standing Orders will require a simple majority voting in favour of the proposal. The exception to this is the removal of any committee or sub-committee from the Scheme of Administration, which will require the approval of two-thirds of Councillors present and entitled to vote.

Formatted: Font: (Default) Arial, 12 pt

## 14 MINUTES OF COUNCIL AND COMMITTEE MEETINGS

### 14.1 Approval of Minutes

- i. The reporting arrangements for committees, sub-committees and associated committees will be as contained in the Council's Scheme of Administration (Appendix 1).
- ii. Minutes shall be approved by a simple majority of those present and entitled to vote. If a meeting agrees that minutes submitted for approval are a correct record, the appropriate Convener will sign the principal copy of the minutes.
- iii. Where the meeting agrees to amend any part of a minute submitted for approval, the Convener will sign the corrected principal copy of the minutes.

### 14.2 Publication of Minutes

Subject to the provisions of Schedule 7A and of Sections 50A of the 1973 Act (concerning exempt and confidential information), once approved, minutes will be published on the Council's website.

## 15 DELEGATION

### 15.1 Delegation Arrangements

The Council will make a Scheme of Delegation to committees and officers to carry out certain functions. The Scheme of Delegation will form an appendix to these Standing Orders (see Appendix 2)

### 15.2 Delegation of Business to Councillors and Officers

In addition to the delegations specified in the Scheme of Delegation, business may be delegated to a specific chief officer to act in consultation with any two of the Provost, Depute Provost, Leader, Depute Leader (if appointed) or Convener, or to a specific chief officer acting alone. The outcome of the deliberation under such delegation will be subject to a report to the Members' Library Service.

### 15.3 Emergencies – Delegation of Business to Councillors and Officers

Power ~~will be~~ delegated to the Chief Executive and all chief officers to take any action with regard to any emergency involving serious danger to life, property, or public welfare, or in accordance with the Council's Emergency Business Continuity Plan. Any action taken under this Standing Order will be reported to the Provost or Leader and the appropriate committee Convener as soon as possible and thereafter to the Council.

### 15.4 Additional Delegations in Conjunction with Councillors

Power is delegated to the Chief Executive and statutory officers, in conjunction with cross-party Councillor representation, to take immediate or urgent action with regard to matters not covered by Standing Order 15.3.

Formatted: Font: Not Bold

### 15.54 Delegation of Business to Committees

- i. The Council will make a Scheme of Administration setting out the functions and remit of any committee and sub-committee. The proper decisions of committees will be regarded as decisions of the Council.
- ii. Decisions of a committee on functions delegated to them will be reported to the Council for information only unless the committee resolves that a particular item of business should be referred to the Council for decision or requires amendments to the Council's approved budget.

### 15.65 Recess Business Arrangements

Between the last scheduled meeting of the Council prior to the summer/election recess and the first meeting following the summer/election recess, a minimum of two of the Provost, Depute Provost, Leader, Depute Leader (if appointed), together with the Convener/Depute Convener of the

|

appropriate committee, will deal in their discretion with the urgent business of the Council presented to them for consideration by the Chief Executive, or officers authorised by him/her to act on his/her behalf.

For the avoidance of doubt, matters that require approval of two-thirds of Councillors cannot be dealt with under this Standing Order.

DRAFT



## COUNCIL AND COMMITTEES

---

### EAST LOTHIAN COUNCIL

#### A Remit and Powers

Business shall be delegated to Committees, as specified in the Scheme of Administration. However, the Council alone shall have power to decide upon the following items of business, which are excluded from delegation to any Committee.

1. The setting of a budget and determination of any local tax or rate
2. The setting of rent levels for property held on the Housing Revenue Account
3. Agreeing the Single Outcome Agreement
4. Agreeing East Lothian Council's Council Plan
5. Expenditure, either capital or revenue, not included in the current revenue estimates, except in cases of urgency or emergency under Standing Order 15 – Emergencies: Delegation to Members and Chief Officials
6. Standing Orders of the Council or other procedural matters regarding the organisation and discharge of the Council's business
7. Licensing, registrations and so on under various statutory terms which are not the responsibility of any committee
8. The functions of the Council under the Representation of the People Acts
9. The committee structure of the Council
10. Consideration, amendment and approval of the Local Development Plan and Strategic Development Plan, as specified under the Town and Country Planning (Scotland) Act 1997
11. The appointment of all Statutory Officers
12. The approval and monitoring of Police and Fire & Rescue Service Plans, in accordance with the Police and Fire Reform (Scotland) Act 2012.

#### B Membership and Attendance

- ~~1.~~ ~~4.~~ The membership of the Council shall include a Convener and a Depute Convener. The Council shall determine the membership of the Council.
- ~~4-2.~~ All Councillors will have the right to attend meetings of the Council and to participate fully in any matter under consideration.

#### C Quorum

1. Six (one quarter of the whole number of members of the Council, as set by the Local Government (Scotland) Act 1973. Note: the Act makes provision for the quorum where there are vacancies).

**D Substitutes**

1. There shall be no substitutes.

**E Meetings**

1. Meetings shall take place in accordance with Standing Order 4.

**F Reporting Arrangements**

1. The clerk shall be responsible for taking minutes of the meetings of the Council.
2. Minutes shall be presented to the Council for approval.

**G Miscellaneous**

1. As set out in Standing Order 3 – Committees, Sub-Committees and Associated Committees, the Council may:
  - (a) appoint other Committees, Sub-Committees or Associated Committees and amend the structure of Committees
  - (b) appoint special member groups to report and advise on matters specified by remit
  - (c) subject to the provisions of the Acts of 1973, 1989 and 1994, and any other relevant Acts, appoint persons who are not Members of the Council to Committees, other than Committees regulating and controlling the finances of the Council, provided that at least two-thirds of the Members of each Committee are Members of the Council
  - (d) subject to the provisions of the Acts of 1973, 1989 and 1994, and any other relevant Acts, appoint Advisory Committees on any matter relating to the discharge of their functions, of such persons (whether Members of the Council or not) and for such term as the Council determines.



## CHIEF OFFICER AND HEAD TEACHER APPOINTMENTS SUB-COMMITTEE

### A Remit and Powers

1. The Chief Officer and Head Teacher Appointments Sub-Committee shall have the authority to appoint to the positions of Chief Executive, Depute Chief Executive, Head of Service, Jointly Accountable Officer and Head Teacher.

### B Membership and Attendance

1. An Appointments Sub-Committee will be drawn from a cross-section of Councillors for all Chief Officer and Head Teacher appointments. Only those Councillors (or their nominated substitutes) selected to participate in the appointments process will have the right to attend and participate in the meeting.

2. As regards the appointment of the Chief Executive, the Appointments Sub-Committee will consist of the Council Leader, Provost and three cross-party Councillor members (at least one of which should be from the largest Minority Group). The Sub-Committee may be advised by an Independent HR Adviser and the Service Manager, People and Governance. ~~the Service Manager – HR and Payroll.~~

Note: only Councillors who have undertaken the Council's Recruitment and Selection training will be eligible to participate in the appointment of the Chief Executive.

3. As regards the appointment of Depute Chief Executives and Heads of Service, the Appointments Sub-Committee will consist of three Councillors, i.e. normally two Councillors from the Administration and one Councillor from the largest Minority Group. The Sub-Committee may be advised by the Chief Executive, an Independent HR Adviser and ~~the Service Manager – HR and Payroll~~ the Service Manager, People and Governance. In the case of a Head of Service appointment, the Panel may also be advised by the Depute Chief Executive of the Service in which the vacancy exists.

Formatted: Not Highlight

Note: only Councillors who have undertaken the Council's Recruitment and Selection training will be eligible to participate in the appointment of Depute Chief Executives and Heads of Service.

4. As regards the appointment of Jointly Accountable Chief Officers, the Appointments Sub-Committee will consist of the Council members and partner members of the (Shadow) Board. The Sub-Committee will be advised by the Chief Executives of the organisations involved, HR advisers from those organisations and, where appropriate, an independent external adviser.

Note: only Councillors who have undertaken the Council's Recruitment and Selection training will be eligible to participate in the appointment of Jointly Accountable Officers.

5. As regards the appointment of Head Teachers, the Appointments Sub-Committee will consist of two Elected Members (including the Convener or Depute Convener of the Education Committee (Chair) and, usually, at least one from the Ward in which the vacancy arises), two Parent Council members from the school to which the appointment is being made\* and two officers nominated by the Depute Chief Executive (Resources and People Services). Where the appointment relates to a Roman Catholic school, a representative of the Catholic Church (who sits on the Education Committee) will be appointed to the

panel in addition to those groups listed above. Where there is a Catholic Church representative vacancy on the Education Committee, the appointment process will proceed in the absence of such a representative. All Councillors who have undertaken the Council's Recruitment and Selection training will be eligible to take part in the appointment of Head Teachers.

- \* Should there be no Parent Council member(s) interested in participating in the process, the Parent Council may nominate a representative to participate on their behalf from outwith the Parent Council, but their nominee must have undertaken the Council's Recruitment and Selection Training for Head Teacher Appointments. Should the Parent Council decline the offer to participate, the recruitment process will continue in their absence.

In the event of a shared Headship, one Parent Council member from each school will be eligible to participate.

### **C Quorum**

1. The quorum for the appointment of Chief Officers is set out in B1-4.
2. The quorum for the appointment of Head Teachers shall be four for non-denominational schools and five for Roman Catholic schools.

### **D Substitutes**

1. As regards the appointment of Chief Officers, there shall be no substitutes.
2. As regards the appointment of Head Teachers, substitutes shall be permitted, on a like-for-like basis.

### **E Meetings**

1. Meetings shall be called by Notice issued by the Chief Executive. The Notice shall specify the agenda for the meeting and shall be accompanied by the relative documentation to be discussed at the meeting.
2. The agenda shall, whenever possible, be issued seven days prior to the meeting.
3. Meetings of the Chief Officer and Head Teacher Appointments Sub-Committee will be held in private.

### **F Reporting Arrangements**

1. Minutes of the meetings in relation to the appointment of Chief Officers shall be presented to the Council for noting.
2. Minutes of the meetings in relation to the appointment Head Teachers shall be presented to the Education Committee for noting.

### **G Miscellaneous**

1. All permanent vacancies will be advertised publicly and in accordance with the Council's Recruitment and Selection Policy and Procedures applicable at that time, unless arising as a result of an internal restructure.

## **AUDIT & GOVERNANCE COMMITTEE**

### **A Remit and Powers**

The following business and functions are delegated by the Council to the Audit & Governance Committee:

1. *Risk and Internal Controls*
  - (a) promote Council policy on risk management by reviewing the delivery of the Risk Management Strategy, reviewing the business and strategic risk assessment arrangements and procedures and the Corporate Risk Register;
  - (b) promote, review and monitor internal controls, financial and otherwise, within the Council in order to provide reasonable assurance of the effectiveness and efficiency of operations and compliance with relevant statutes, directions, guidelines and policies;
  - (c) develop an anti-fraud culture within the Council to ensure the highest standards of probity and public accountability;
  - (d) approve the annual Internal Audit assurance report and the statement of internal controls for inclusion in the annual accounts;
  - (e) approve Internal Audit's Terms of Reference.
2. *Review of Audit Functions*
  - (a) determine the scope of the annual audit plan and ensure it is directed in accordance with the approved business risk assessment;
  - (b) examine and review the External Audit Planning Memorandum and review the overall performance with regard to quality, productivity and the fees charged;
  - (c) review the activities of the Internal Audit function and monitor overall performance in terms of quality, productivity and effectiveness;
  - (d) ensure that the Internal Audit function is sufficiently resourced to provide a systematic review of internal controls and a full assessment of significant investigations;
  - (e) examine Internal and External Audit reports, and ensure weaknesses identified are adequately addressed by management and recommendations are actioned;
  - (f) ensure that there are effective relationships between Internal and External Audit and inspection agencies, and that the value of the audit process is actively promoted.
3. *Financial Matters*
  - (a) review the Council's financial performance as contained in the annual statement of accounts;

(b) approve the Council's financial accounts for signing;

(c) review the audit certificate/wording of any matters reported;

(d) review the annual report to Members from the External Auditor;

(e) review the implementation of audit recommendations;

(f) ensure that issues raised in previous financial years have been addressed; and

(g) review and monitor treasury management arrangements.

4. *All matters relating to the performance of the Departments and Council as a whole, including, but not limited to:*

Community

- Strategic vision and direction setting by Members
- Integration of strategic vision, direction and community planning priorities and actions into internal planning mechanisms
- Public performance reporting and public accountability
- Transparency of decision-making processes
- Consultation and communication with communities

Service Delivery Arrangements

- Corporate planning approach and performance against corporate actions and targets, including financial position and performance and asset management
- Performance management system and corporate performance information monitoring
- External scrutiny/assessment recommendations and resulting action planning
- Management of joint working
- Best Value reviews and option appraisal
- Contracting issues

Structures and Processes

- Monitoring of decision-making structures and mechanisms
- Monitoring of policy development and implementation
- Clarity of key roles and responsibilities

Governance

- Corporate Governance
- Annual Governance Statement

**B** Membership and Attendance

1. The membership of the Audit & Governance Committee shall include a Convener and a Depute Convener. The Council shall determine the membership of the Audit & Governance Committee. Membership of the Committee should be drawn only from non-Cabinet Members of the Council. In appointing Members to the Committee, the Council shall seek to achieve political balance. In the event that this cannot be achieved, the Council may adjust the membership of the Committee by way of reducing the number of places on the Committee, or by appointing Members of any political

group/independent councillors to the vacant places. Regardless of the political composition of the Committee, it should act with political neutrality.

2. In the absence of the Convener and Depute Convener at a meeting the other Members of the Committee shall appoint an alternative Chairperson for the duration of that meeting.

3. Councillors who are not members of the Audit & Governance Committee will have the right to attend meetings of the Committee and to question officers on any matter under consideration.

**C Quorum**

1. Half + 1 of the places filled.

**D Substitutes**

1. There shall be no substitutes.

**E Meetings**

1. Meetings shall take place in accordance with Standing Order 4..

**F Reporting Arrangements**

1. The clerk shall be responsible for taking minutes of the meetings of the Audit & Governance Committee.
2. Minutes shall be presented to the Audit & Governance Committee for approval.

**G Miscellaneous**

1. Decisions of the Committee on functions delegated to them shall be reported to the Council for information only unless the Committee resolved that a particular item of business should be referred to the council for decision.
2. The External Auditor will have the right to request that items of business are presented to the Committee.

## **CABINET**

### **A Remit and Powers**

The following business and functions are delegated by the Council to the Cabinet (without prejudice to the Scheme of Delegation):

1. The development, determination and review of Council policy and strategy
2. Financial reporting
3. Partnership working
4. Initiating, confirming and making of statutory orders
5. Funding to external organisations
6. Introducing new charges for Council services

### **B Membership and Attendance**

1. The membership of the Cabinet shall include a Convener and, if desired, a Depute Convener. The Council shall determine the membership of the Cabinet.
2. Councillors who are not members of the Cabinet will have the right to attend meetings of the Committee and to question officers on any matter under consideration.

Formatted: Not Highlight

### **C Quorum**

1. Half the membership + 1

### **D Substitutes**

1. There shall be no substitutes.

### **E Meetings**

1. Meetings shall take place in accordance with Standing Order 4.

### **F Reporting Arrangements**

1. The clerk shall be responsible for taking minutes of the meetings of the Cabinet.
2. Minutes shall be presented to the Cabinet for approval.

### **G Miscellaneous**

1. Decisions of the Committee on functions delegated to them shall be reported to the Council for information only unless the Committee resolves that a particular item of business should be referred to the Council for decision.

## EMPLOYEE APPEALS SUB-COMMITTEE

### A Remit and Powers

1. The Employee Appeals Sub-Committee shall consider:
  - i. Stage 3 Disciplinary and Grievance cases and shall determine accordingly, in accordance with the Council's Discipline and Grievance Policies; and
  - ii. Appeals against dismissal of employees not related to discipline/grievance appeals.

### B Membership and Attendance

1. ~~1.~~ The membership of the Employee Appeals Sub-Committee shall consist of five councillors – the Leader of the Council (Chair), the Provost (Vice-Chair), the Depute Provost, the Leader of the Opposition, and ~~the a~~ Cabinet member ~~for the relevant area.~~
- ~~4.~~ 2. Only those Councillors (or their nominated substitutes) selected to participate in the appeals process will have the right to attend and participate in the meeting.

Formatted: Indent: Left: 0 cm, Hanging: 1.27 cm, No bullets or numbering

### C Quorum

1. 3 Members

### D Substitutes

1. Members of the Employee Appeals Sub-Committee shall be entitled to nominate substitute members to attend any meeting of the Employees Appeals Sub-Committee (in accordance with Standing Order 6.4).

### E Meetings

1. Meetings shall take place in accordance with Standing Order 4.
2. Meetings of the Employee Appeals Sub-Committee shall be held in private, due to the confidential nature of the business.

### F Reporting Arrangements

1. The Clerk shall be responsible for taking minutes of the meetings of the Employee Appeals Sub-Committee.
2. Minutes shall be presented to the Employee Appeals Sub-Committee for approval.

### G Miscellaneous

## LICENSING SUB-COMMITTEE

### A Remit and Powers

1. The Licensing Sub-Committee shall consider all matters in relation to Civic Government Licensing, Licensing of matters other than where covered by the Licensing (Scotland) Act 2005 and the Gambling Act 2005, ~~Houses of Multiple Occupation and Registration of Private Landlords.~~

### B Membership and Attendance

1. ~~4.~~ The membership of the Licensing Sub-Committee shall include a Convener and, if desired, a Depute Convener. The Council shall determine the membership of the Licensing Sub-Committee. In appointing councillors to the Sub-Committee, the Council shall seek to achieve political balance. In the event that this cannot be achieved, the Council may adjust the membership of the Sub-Committee by way of reducing the number of places on the Sub-Committee or by appointing members of any political group/independent councillors to the vacant places. Regardless of the political composition of the Sub-Committee, it should act with political neutrality.
2. Councillors who are not members of the Licensing Sub-Committee will have the right to attend meetings of the Sub-Committee and to question officers on any matter under consideration. Local ward Councillors who are not members of the Sub-Committee will also have the right to make a statement on applications for licences within their ward.

### C Quorum

1. 3 Members

### D Substitutes

1. Members of the Licensing Sub-Committee shall be entitled to nominate substitute members to attend any meeting of the Licensing Sub-Committee (in accordance with Standing Order 6.4).

### E Meetings

1. Meetings shall take place in accordance with Standing Order 4.

### F Reporting Arrangements

1. The Clerk shall be responsible for taking minutes of the meetings of the Licensing Sub-Committee.
2. Minutes shall be presented to the Licensing Sub-Committee for approval.

### G Miscellaneous

1. The Licensing Sub-Committee shall be entitled to adopt a scheme of delegation to officers in respect of licensing matters within its remit.

Formatted: Font color: Red

Formatted: Indent: Left: 1.27 cm



## HOMELESSNESS APPEALS SUB-COMMITTEE

### A Remit and Powers

1. The Homelessness Appeals Sub-Committee shall deal with the determination of appeals against decisions of the Council relating to homelessness.

### B Membership and Attendance

- ~~1.~~ ~~4.~~ The membership of the Homelessness Appeals Sub-Committee shall include a Convener, to be appointed at each meeting. The membership of the Homelessness Appeals Sub-Committee shall reflect the membership of the Council and shall ensure that the Panels hearing appeals have a different composition from the Committees determining matters in the first instance.

- ~~4.2.~~ Only those Councillors (or their nominated substitutes) selected to participate in the appeals process will have the right to attend and participate in the meeting.

### C Quorum

1. 3 Members

### D Substitutes

1. Members of the Homelessness Appeals Sub-Committee shall be entitled to nominate substitute members to attend any meeting of the Homelessness Appeals Sub-Committee (in accordance with Standing Order 6.4).

### E Meetings

1. Meetings shall take place in accordance with Standing Order 4.
2. Meetings shall be called by Notice issued by the Chief Executive. The Notice shall specify the agenda for the meeting and shall be accompanied by the relative reports to be discussed at the meeting. No additional business shall be discussed.
3. The agenda shall, whenever possible, be issued seven days prior to the meeting.
4. Meetings of the Homelessness Appeals Sub-Committee shall be held in private, due to the confidential nature of the business.

### F Reporting Arrangements

1. The Clerk shall be responsible for taking minutes of the meetings of the Homelessness Appeals Sub-Committee.
2. Minutes shall be presented to the Homelessness Appeals Sub-Committee for approval.

### G Miscellaneous

## COMMON GOOD COMMITTEES

### A Remit and Powers

1. Common Good Funds are the assets and income of some former Burghs of East Lothian. They represent a substantial portfolio of land, property and investments and by law continue to exist for the Common Good of the inhabitants of the former Burghs to which they relate.
2. East Lothian Council has a wide discretion over the use of its Common Good Funds so long as they are applied for the benefit of the community using reasonable judgement and having regard to the interests of the inhabitants of the former Burgh.
3. Council will approve an annual budget for each of the Common Good Funds that will include provision for the maintenance of assets and any committed items of expenditure.
4. The Common Good Committee for each area will administer its own Common Good Funds with support from officers.
5. Each Common Good Committee has authority to:
  - Award a grant of up to £10,000
  - Approve revenues expenditure of up to £10,000 for the maintenance of the assets of the fund provided that can be met within the approved budget.
6. Each application for a grant will be considered on its own merits. The Committee must consider whether or not it is a reasonable judgement for them to consider making a disbursement of funds from the Common Good Fund for the benefit of the Community. This can, for example, include expenditure on:
  - The expense of civic ceremonies and of the provision of suitable hospitality on appropriate occasions and for appropriate persons and guests
  - Applications from individuals and groups where the grant of the application would benefit the community as a whole
  - Firework displays, where appropriate

Note – this list is representative only and does not preclude other awards that are thought appropriate.

7. The Common Good Committees ~~may~~ make recommendations to the Head of Council Resources in relation to expenditure over £10,000. The Head of Council Resources, ~~on receipt of the recommendation,~~ will prepare a report for Council referencing any such recommendations received but making their own recommendation taking into budgetary considerations. Council will make the decision on any matter involving expenditure of more than £10,000.
8. No officer of the Council has delegated power to commit Common Good Funds.

### B Membership and Attendance

1. Each Common Good Committee will consist of all the Councillors for those areas, namely:

Musselburgh – all 4 Musselburgh Councillors  
Haddington – all 4 Haddington and Lammermuir Councillors  
North Berwick – all 3 North Berwick Coastal Councillors  
Dunbar – all 3 Dunbar and East Linton Councillors

2. Meetings of Common Good Committees may be attended only by Councillors who are members of that Committee.

**C Quorum**

1. For the Musselburgh and Haddington Common Good Committees the quorum is 3. For the North Berwick and Dunbar Common Good Committees the quorum is 2.

**D Substitutes**

1. There shall be no substitutes.

**E Meetings**

1. ~~Meetings shall take place in accordance with Standing Order 4. Each Common Good Committee will meet quarterly, although it may meet more or less frequently as business dictates.~~

**F Reporting Arrangements**

1. A six-monthly report detailing all discretionary grant awards for each fund will be prepared by the Head of Council Resources and will be lodged in the Members' Library and made available electronically to all Members of the appropriate Common Good Committee.

**G Miscellaneous**

1. The Chair will be appointed by a vote at the start of the first meeting following the local government election and will hold that post until the next local government election.
2. Decisions of the Committee will be taken by a simple majority of those present following a show of hands. In the event of a tie, the Chair will have a casting vote.

## EDUCATION COMMITTEE

### A Remit and Powers

1. The development, determination and review of policy and associated matters relating to Education.

### B Membership and Attendance

1. ~~4.~~—The membership of the Education Committee shall include a Convener and, if desired, a Depute Convener. It shall also include religious representatives and a trades union representative, who shall have full voting rights. The Council shall determine the membership of the Education Committee. In appointing councillors to the Committee, the Council shall seek to achieve political balance. In the event that this cannot be achieved, the Council may adjust the membership of the Sub-Committee by way of reducing the number of places on the Sub-Committee or by appointing members of any political group/independent councillors to the vacant places. Regardless of the political composition of the Sub-Committee, it should act with political neutrality.
2. Councillors who are not members of the Education Committee will have the right to attend meetings of the Committee and to question officers on any matter under consideration.

### C Quorum

1. Half + 1 of the places filled.
2. ~~9 Councillor Members where a resolution to dismiss a teacher is to be considered~~

Formatted: Not Highlight

### D Substitutes

1. There shall be no substitutes.

### E Meetings

1. Meetings shall take place in accordance with Standing Order 4..

### F Reporting Arrangements

1. The clerk shall be responsible for taking minutes of the meetings of the Education Committee.
2. Minutes shall be presented to the Education Committee for approval.

### G Miscellaneous

1. Decisions of the Committee on functions delegated to them shall be reported to the Council for information only unless the Committee resolves that a particular item of business should be referred to the Council for decision.

## EDUCATION APPEALS COMMITTEE

### A Remit and Powers

1. The Education (Scotland) Act 1980 set a duty on local authorities to set up and maintain Education Appeals Committees to consider:
  - (i) appeals from parents who have had their placing requests for a specific school for their children refused; and
  - (ii) appeals from parents whose child has been excluded from school.

### B Membership and Attendance

- ~~1.~~ ~~4.~~ The membership of the Education Appeals Committee shall comprise one Elected Member from among the membership of the Council (but usually the Cabinet Spokesperson for Education & Children's Services), one person from a list comprising parents with pupils of school age nominated by the Parent Councils, and one person selected from a list comprising persons with experience in education or who are acquainted with educational conditions in East Lothian, nominated by the Depute Chief Executive (Resources and People Services).

- ~~4.2.~~ Only the Councillor (or their nominated substitute) selected to participate in the appeals process will have the right to attend and participate in the meeting.

### C Quorum

1. 3 Members

### D Substitutes

1. Members of the Education Appeals Committee shall be entitled to nominate substitute members provided that they are eligible in terms of (B) above, and in accordance with Standing Order 6.4.

### E Meetings

1. Meetings shall take place in accordance with Standing Order 4.
2. Meetings of the Education Appeals Committee shall be held in private, due to the confidential nature of the business.

### F Reporting Arrangements

1. The Clerk shall be responsible for taking minutes of the meetings of the Education Appeals Committee.
2. Minutes shall be presented to the Education Committee for noting.

### G Miscellaneous

## LOCAL REVIEW BODY (PLANNING)

### A Remit and Powers

1. *The following business and functions are delegated by the Council to the Local Review Body:*

To conduct reviews in accordance with Section 43A(8) of the Town and Country Planning (Scotland) Act 1997, where the Service Manager - Planning as the appointed person for the purpose of determining applications for 'Local Developments' as defined under the Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2008:

- (a) Has refused an application for planning permission or for consent, agreement or approval,
- (b) Has granted it subject to conditions, or
- (c) Has not determined it within such period as may be prescribed by regulations or a development order

The Local Review Body shall at all times conduct its affairs in accordance with the provisions of the Town and Country Planning (Schemes of Delegation and Local Review Procedure) (Scotland) Regulations 2008.

### B Membership and Attendance

1. The membership of the Local Review Body shall comprise up to five members of the Council drawn from the Planning Committee who have not expressed a prior view on the application. Local Members shall be permitted to sit on a Local Review Body that is considering an application affecting land in their Ward.

2. Where a Local Review Body considers an application on more than one occasion, the same members must make up the Local Review Body each time the application is considered.

- 2-3. All Councillors will have the right to attend meetings of the Local Review Body, but only those selected to take part in the review process will have the right to participate in the meeting.

### C Quorum

1. 3 Members

### D. Substitutes

1. Substitutes (from among the members of the Planning Committee) shall be permitted.

### E Meetings

1. Meetings shall take place in accordance with Standing Order 4.
2. A Planning Adviser and a Legal Adviser shall attend all meetings of the Local Review Body to provide planning and legal advice relevant to the business

before the Local Review Body. The Planning and Legal Advisers should not have had direct prior involvement with the application that is subject to review.

3. The Local Review Body may appoint an 'assessor' to sit with it at any meeting in order to advise it on any specialist matters arising.
4. The Local Review Body may, other than where they consider that the review documents provide sufficient information to enable them to determine the review without further procedure, determine the review by:
  - a. means of written submissions,
  - b. holding one or more hearing sessions
  - c. means of a site inspection, or
  - d. a combination of these procedures
5. The purpose of the review by the Local Review Body is to reassess the decision on the application taken by the 'Appointed Person'. Normally reviews will be undertaken and completed by means of considering only the material available and considered by the appointed officer who determined the application and the statement submitted by the Appellant setting out reasons for requesting the review. New material will only be allowed at the discretion of the Local Review Body and then only in exceptional circumstances.
6. The Local Review Body may decide to hold a Hearing if this is required, but in such event this will only be to consider those matters upon which the Local Review Body requires further information.
7. Other than at a hearing, there shall be no automatic right for the Appellant or interested parties to address the Local Review Body.

#### **F Reporting Arrangements**

1. The clerk shall be responsible for taking minutes of the meetings of the Local Review Body.
2. Minutes shall be presented to the Council for noting.

#### **G Miscellaneous**

1. *Site Visits*
  - (a) Site visits will be held as standard for all applications and will take place prior to the Local Review Body considering the application.
  - (b) The purpose of site visits is to provide Members with an opportunity to make themselves aware of the land and/or buildings subject of the application or which might be affected by the application – there will be no presentation by the parties or discussion of the merits of the application.
  - (c) All members of the Local Review Body must attend the site visit. A minute will not be taken.
  - (d) Appellants and interested parties who have submitted individual written representations may be invited to attend the site visit, where appropriate, on the understanding they do so solely to point out to Members relevant

- |
- features of the application site or the land/buildings which might be affected by the application.
- (e) Where a petition has been submitted the organiser of the petition will be advised of the site visit – individual signatories will not be advised.

DRAFT



## PETITIONS AND COMMUNITY EMPOWERMENT REVIEW COMMITTEE

### A Remit and Powers

#### *Petitions*

1. The remit of the Committee in respect of petitions shall be to consider petitions raised by local residents or organisations, which relate to either:
  - (i) Council services or activities; or
  - (ii) the general well-being of the East Lothian community
2. Petitions shall be referred to the Committee if the issue has not been resolved by any other means. The Committee shall consider the merits of each petition received. Where the Committee considers that action should be taken in respect of a petition, it shall refer the matter to the appropriate committee or Chief Officer for further consideration and possible implementation. In such cases the outcome of the matter shall be reported back to the next meeting of the Petitions and Community Empowerment Review Committee.

#### *Community Asset Transfer Reviews*

3. The remit of the Committee in respect of community asset transfer reviews shall be to consider requests for reviews of asset transfer decisions submitted by community transfer bodies where:
  - (i) the Council has refused the request;
  - (ii) the request has been agreed, but the terms and conditions in the decision notice are significantly different from those in the request; or
  - (iii) no decision notice has been issued by the Council within the required period.

### B Membership and Attendance

1. The membership of the Petitions and Community Empowerment Review Committee shall consist of the Provost (Convener) and the leaders of all political groups.
  2. Councillors who are not members of the Petitions and Community Empowerment Review Committee will have the right to attend meetings of the Committee, but only the members of the Committee (or their substitutes) will have the right to participate in the meeting.

Formatted: Indent: Left: 0 cm, Hanging: 1.27 cm, No bullets or numbering

### C Quorum

1. Half the membership + 1

### D Substitutes

1. Members of the Petitions and Community Empowerment Review Committee shall be entitled to nominate substitute members from within their own political group to attend any meeting of the Petitions Committee (in accordance with Standing Order 6.4).

## **E Meetings**

1. Meetings shall take place in accordance with Standing Order 4.
2. Where a petition is to be considered by the Committee, the organiser of the petition will be invited to attend and be offered the opportunity to address the Committee – individual signatories will not be invited. Invitations will be sent no later than the date the agenda is issued.
3. Anyone wishing to address the Committee should advise the Clerk no later than three working days before the meeting so that seating, timetable and other arrangements can be made.
4. Petitioners will be allowed five minutes to address the Committee – this period may be extended at the discretion of the Convener.
5. Where a petition is continued until a future meeting of the Committee the same rights to attend and speak at the meeting shall apply.
6. Where a community asset transfer review is to be carried out by the Committee, further information may be sought from interested parties in advance of the meeting; this information will be published on the Council's website. The Committee may invite interested parties to the meeting, if required. Invitations will be sent no later than the date the agenda is issued.

## **F Reporting Arrangements**

1. The clerk shall be responsible for taking minutes of the meetings of the Petitions and Community Empowerment Review Committee.
2. Minutes shall be presented to the Petitions and Community Empowerment Review Committee for approval.
3. Where a petition has been accepted, the outcome shall be reported to the organiser of the petition on approval of the minutes.
4. The terms of the decision notice for a community asset transfer review shall be determined by the Committee and reported to the community asset transfer body. It shall also be published on the Council's website.

## **G Miscellaneous**

1. Decisions of the Committee on functions delegated to them shall be reported to the Council for information only unless the Committee resolves that a particular item of business should be referred to the Council or another committee for decision.
2. As regards community asset transfers, appeals can be submitted to Scottish Ministers by community asset transfer bodies where:
  - (i) they are unhappy with the outcome of the Council's review; or
  - (ii) following agreement to an asset transfer request, the Council has not concluded the contract within the agreed time period, as set out in Appendix 3 of the East Lothian Council Community Asset Transfer Policy and Guidance. Requests for appeals must be made in writing to Scottish Ministers within 20 working days from the date of the decision

|

notice of the review. The procedures for appeals are set out in Section 20 of the Asset Transfer Guidance for Community Transfer Bodies.

DRAFT

## PLANNING COMMITTEE

### A Remit and Powers

The following business and functions are delegated by the Council to the Planning Committee.

The development, determination and implementation of policy and associated matters relating to:-

1. *Planning Applications*
  - (a) determination of planning applications and related consents and the taking of any actions required for the enforcement of planning control as provided for under the Town and Country Planning Acts and related legislation;
  - (b) hearing of appeals against a refusal to grant a Relaxation under the Building (Scotland) Acts;
  - (c) confirmation of orders under Section 10 and 13 of the Building (Scotland) Acts.
2. *Pre-determination Hearings*
  - (a) The holding of Pre-Determination Hearings where required in terms of S38A of the Town and Country Planning (Scotland) Act 1997 and associated regulations.
3. *Pre-application Discussions of Major Applications*
  - (a) The holding of formal pre-application discussions of major and national applications, in accordance with Scottish Government/CoSLA guidance and the Council's procedures for these.
4. *Tree Preservation*
  - (a) determination of confirmation of Tree Preservation Orders where there are outstanding objections.

### B Membership and Attendance

~~1.~~ ~~4.~~ The membership of the Planning Committee shall include a Convener and, if desired, a Depute Convener. The Council shall determine the membership of the Planning Committee. In appointing councillors to the Committee, the Council shall seek to achieve political balance. In the event that this cannot be achieved, the Council may adjust the membership of the Committee by way of reducing the number of places on the Committee, or by appointing members of any political group/independent councillors to the vacant places. Regardless of the political composition of the Committee, it should act with political neutrality.

~~4.2.~~ Councillors who are not members of the Planning Committee will have the right to attend meetings of the Committee and to question officers on any matter under consideration. Local ward Councillors who are not members of the

Committee will also have the right to make a statement on applications for development within their ward.

32. For the purposes of carrying out Pre-Determination Hearings, the Planning Committee shall comprise all Members of the Council.

**C Quorum**

1. Half + 1 of the places filled.

**D Substitutes**

1. There shall be no substitutes.

**E Meetings**

1. Meetings shall take place in accordance with Standing Order 4.
2. All letters of representation will be made available to all Councillors in advance of an application being submitted to Committee.
3. Where an application has been referred to Committee, applicants/agents and third parties who have submitted individual written representations will be advised that they are welcome to attend the Committee meeting, but restrictions on addressing the Committee will apply, as set out below:
- There will be a maximum of three representatives speaking in favour of an application, including the applicant/agent (who will get priority)
  - There will be a maximum of three representatives speaking in opposition to an application. A 'first come, first served' approach will be adopted, with all those who have submitted representations being advised that they will need to call the clerk at a certain time on a certain day to register their intention to address the committee. The first three requests received will be granted\*, and any subsequent requests will be refused.
- \* In addition to the representations outlined above, Community Councils will be given the opportunity to address the Committee, where they have made a request to do so.
4. Those applicants/agents and third parties who have been invited to address the Committee will be allowed five minutes to address the Committee – this period may be extended at the discretion of the Convener.
5. Where several parties share a view on an application they will be invited to elect a single representative to speak on their behalf.
6. Applicants will be invited to make a single presentation rather than calling a sequence of professional advisers.
7. Where an application is continued until a future meeting of the Committee the same rights to attend and speak at the meeting shall apply.
8. Pre-determination hearings, which consider major developments, will continue to include representations from applicants, agents and individuals as this is a statutory part of that particular process.

- |
9. Pre-application discussions of major applications will include representation from applicants. Site visits will be held as part of the normal site visit schedule. Councillors will discuss proposals in accordance with the terms of the Councillors' Code of Conduct.

**F Reporting Arrangements**

1. The clerk shall be responsible for taking minutes of the meetings of the Planning Committee.
2. Minutes shall be presented to the Planning Committee for approval.

**G Miscellaneous**

1. Decisions of the Committee on functions delegated to them shall be reported to the Council for information only unless the Committee resolves that a particular item of business should be referred to the Council for decision.
2. *Site Visits*
  - (a) Site visits will be held in advance of the meeting of the Planning Committee.
  - (b) The purpose of site visits is to provide Members with an opportunity to make themselves aware of the land and/or buildings subject of the application or which might be affected by the application – there will be no presentation by the Appointed Officer or staff or discussion of the merits of the application.
  - (c) Site visits will not form part of the formal business of the Committee, i.e. there will be no requirement for a quorum nor will a minute be taken.
  - (d) Applicants/agents will be invited to attend the site visit, but only for the purpose of answering questions from Members.
  - (e) Third parties who have submitted individual written representations will be advised that site visit will be taking place for the purpose of Members familiarising themselves with the site, but those individuals/groups will not be invited to attend the site visit.
  - (f) It will be assumed that Members who do not attend the site visit will be familiar with the site or will take other steps to ensure they have sufficient knowledge to make an informed decision.

## **POLICE, FIRE AND COMMUNITY SAFETY SCRUTINY COMMITTEE**

### **A Remit and Powers**

1. The following business and functions are delegated by the Council to the Police, Fire and Community Safety Scrutiny Committee:
  - To carry out scrutiny of the performance of the Police and Fire & Rescue Services in East Lothian, with specific reference to each organisation's Local Plan
  - To receive and comment on local quarterly performance reports from Police Scotland and the Scottish Fire & Rescue Service
  - To engage in the development of Police Scotland and the Scottish Fire & Rescue Service Local Plans and joint working with the Police and Fire & Rescue Services
  - To consider and respond to national and local level strategies and policies of Police Scotland and the Scottish Fire & Rescue Service
  - To scrutinise and monitor the Service Level Agreement between the Council and Police Scotland
  - To receive and comment on reports on the performance of any other services performing a community safety function in East Lothian.

### **B Membership and Attendance**

1. The membership of the Police, Fire and Community Services Scrutiny Committee shall include a Convener and a Depute Convener. The Council shall determine the membership of the Police, Fire and Community Services Scrutiny Committee. In appointing councillors to the Committee, the Council shall seek to achieve political balance. In the event that this cannot be achieved, the Council may adjust the membership of the Committee by way of reducing the number of places on the Committee, or by appointing members of any political group/independent councillors to the vacant places.
2. In the absence of the Convener and Depute Convener at a meeting the other Members of the Committee shall appoint an alternative Chairperson for the duration of that meeting.
3. Councillors who are not members of the Police, Fire and Community Safety Scrutiny Committee will have the right to attend meetings of the Committee and to question officers on any matter under consideration.

### **C Quorum**

1. Half + 1 of the places filled.

### **D Substitutes**

1. There shall be no substitutes.

**E Meetings**

1. Meetings shall take place in accordance with Standing Order 4.

**F Reporting Arrangements**

1. The clerk shall be responsible for taking minutes of the meetings of the Police, Fire and Community Services Scrutiny Committee.
2. Minutes shall be presented to the Police, Fire and Community Services Scrutiny Committee for approval.
3. The Committee can refer any item of business to the Council, in which case a report shall be placed on the agenda of the next appropriate meeting.

**G Miscellaneous**

1. The Police, Fire and Community Services Scrutiny Committee will be entitled to appoint ad hoc (short-life) sub-committees. The Committee or its sub-committees will be entitled to undertake reviews of policies and/or performance relating to Community Safety matters, to call upon the Council and Council officials for reports, and to require the attendance for the purpose of questioning, of any Cabinet Spokespersons and/or officials of the Council on any matter relevant to the issue under consideration by them.
2. The Committee will be entitled to invite representatives of other public agencies, local communities, the private and voluntary sectors, trade unions and academic institutions to assist with reviews of policies and/or performance. Also, it will be entitled to call appropriate expert witnesses, commission appropriate research and hold evidence gathering meetings.
3. The Committee will have the power to comment on, and make recommendations on matters insofar as relevant to its authorised remit, where appropriate, to the Council.



## POLICY & PERFORMANCE REVIEW COMMITTEE

### A Remit and Powers

The following business and functions are delegated by the Council to the Policy & Performance Review Committee:

1. *All matters relating to the performance of all the Council's services including, but not limited to:*
  - Vision and direction setting by Members
  - Integration of vision, direction and community planning priorities and actions into internal mechanisms (including service plans)
  - Mechanisms and initiatives for improvement (e.g. benchmarking)
  - Public performance reporting and public accountability
  - Consultation and communication with communities
  - Planning and performance against actions and targets including financial position and performance, priority/risk based resource management and asset management
  - Mainstreaming of equality issues and sustainable development
  - External scrutiny/assessment recommendations and resulting action planning
  - Management of joint working
  - Best Value reviews and option appraisal
  - Contracting issues
  - Scrutiny of policies identified through an annual work plan or other aspect of its work

### B Membership and Attendance

1. The membership of the Policy & Performance Review Committee shall include a Convener and a Depute Convener. The Council shall determine the membership of the Policy & Performance Review Committee. Membership of the Committee should be drawn only from non-Cabinet Members of the Council. In appointing Members to the Committee, the Council shall seek to achieve political balance. In the event that this cannot be achieved, the Council may adjust the membership of the Committee by way of reducing the number of places on the Committee, or by appointing members of any political group/independent councillors to the vacant places. Regardless of the political composition of the Committee, it should act with political neutrality.
- ~~2.~~ ~~2.~~—In the absence of the Convener and Depute Convener at a meeting the other Members of the Committee shall appoint an alternative Chairperson for the duration of that meeting.
- ~~3.~~ Councillors who are not members of the Policy & Performance Review Committee will have the right to attend meetings of the Committee and to question officers on any matter under consideration.

### C Quorum

1. Half + 1 of the places filled.

**D Substitutes**

1. There shall be no substitutes.

**E Meetings**

1. Meetings shall take place in accordance with Standing Order 4.

**F Reporting Arrangements**

1. The clerk shall be responsible for taking minutes of the meetings of the Policy & Performance Review Committee.
2. Minutes shall be presented to the Policy & Performance Review Committee for approval.
3. The Committee can refer any item of business to the Council, Cabinet or the relevant Committee, in which case a report shall be prepared by the relevant officer and placed on the agenda of the next appropriate meeting.

**G Miscellaneous**

1. The Policy & Performance Review Committee will be entitled to debate the terms of reports insofar as relevant to its authorised remit. No formal votes will be taken and the Committee will attempt to reach a consensus, or failing that, a majority view.
2. The Committee will be entitled to appoint ad hoc (short life) sub-committees. The Committee or its sub-committees will be entitled to undertake reviews of policies and/or performance, to call upon the Council and Council officials for reports, and to require the attendance for the purpose of questioning, of Committee Conveners and/or Depute Conveners and/or Cabinet Spokespersons and/or officials of the Council on any matter relevant to the issue under consideration by them.
3. The Committee will be entitled to invite representatives of other public agencies, local communities, the private and voluntary sectors, trade unions and academic institutions to assist with reviews of policies and/or performance. Also, it will be entitled to call appropriate expert witnesses, commission appropriate research and hold evidence gathering meetings.
4. The Committee will have the power to comment on, and make recommendations on, matters insofar as relevant to its authorised remit to the relevant Committee, the Cabinet or, where appropriate, to the Council.
5. The Convener or other nominated representative of the Committee will be entitled to speak to reports of the Committee submitted to the relevant Committee, the Cabinet or, as appropriate, the Council.

## ASSOCIATED COMMITTEES

---

### JOINT CONSULTATIVE COMMITTEE

#### **A Remit and Powers**

The functions of the Joint Consultative Committee (JCC) shall be:

1. to provide a means of regular consultation between the Council and employees, providing a forum for the discussion of matters of mutual interest provided that no question of an individual's pay, wage, grading, discipline, promotion or efficiency shall be within the scope of the JCC;
2. to consider and offer observations on any proposals made by the Council involving substantial administration re-organisation on the extent to which it affects the pay and conditions of employment of the employees of the Council;
3. to consider reports on any matter, which may be referred to the JCC by the Council or by any employee organisation. The Committee shall have the right to invite the attendance of any officer of the Council, or any other person or persons to act in an advisory capacity to any meeting of the Committee. It shall be within the discretion of either side to refer to the appropriate National Joint Council or other negotiating body for advice and guidance on any matter brought before the Committee;
4. to act as a consultative forum on matters pertaining to equal opportunities in employment insofar as they concern the Council's HR Policies and Procedures and its statutory duties, taking advice and guidance from the appropriate statutory bodies as required.

#### **B Membership and Attendance**

1. The Joint Consultative Committee shall appoint from amongst its members a Convener and Depute Convener who will alternate their duties on an annual basis. If the Convener appointed is one of the Council's representatives, the Depute Convener shall be one of the employee representatives and vice versa. The Convener and, in his/her absence, the Depute Convener shall preside at the meetings of the JCC. In the absence of both, the members present shall elect one of the members to preside. The Convener of the meeting shall not have a casting vote.
2. The membership of the JCC shall be 8 representatives appointed by the Council and 14 representatives (who shall be employees of the Council) of the Trades Unions recognised by the Council as follows: Unison – 7; Unite – ~~2~~<sup>4</sup>; GMB – 1; ~~UCATT~~<sup>1</sup>; EIS – 3; NASUWT/SSTA – 1.
3. The Council shall determine the councillor membership of the JCC. In appointing councillors to the Committee, the Council shall seek to achieve political balance. In the event that this cannot be achieved, the Council may adjust the membership of the Committee by way of appointing members of any political group/independent councillors to the vacant places.
4. The members representing the staff shall be appointed amongst the employees of the Council in accordance with the rules of the participating Trades Unions

for the making of such appointments. All staff representative members of the JCC shall cease to hold office on leaving the employment of the Council.

5. Any vacancy on the JCC shall be filled by the appointing organisation.
6. The employee representatives shall appoint an Employee Side Secretary to the JCC from amongst their members.
7. ~~Only those Councillors appointed to the Joint Consultative Committee, or their substitutes, will have the right to attend and participate in meetings.~~

#### **C Quorum**

1. 3 members from the Council side  
3 members from the Union side from not less than 2 Unions

#### **D Substitutes**

1. Members of the JCC shall be entitled to nominate substitute members to attend any meeting of the JCC. Substitute members representing the Council must be members of the Cabinet. Substitute members representing the Staff Side must be from the relevant Trades Union and be a Council employee. Substitute members shall be identified at the beginning of any meeting they attend.

#### **E Meetings**

1. Meetings shall take place in accordance with Standing Order 4.
2. An Agenda Sub-Committee, at Officer/Trades Union level, shall be established to facilitate the work of the JCC.
3. The JCC may establish sub-committees to facilitate consideration of specific matters.
4. Meetings of the Joint Consultative Committee shall be held in private, due to the confidential nature of the business.

#### **F Reporting Arrangements**

1. The Clerk shall be responsible for taking minutes of the meetings of the Joint Consultative Committee.
2. Minutes shall be presented to the JCC for approval.

#### **G Miscellaneous**

1. Matters relating to Local and National agreements/procedures which are specific to a group or groups of employees must, at the request of the Trades Union(s) concerned, be considered by a sub-committee of the JCC, with the Trades Union side consisting only of the Trades Union(s) recognised and represented on the relevant National Joint Council. Agreements made at such sub-committees shall be a matter only of reporting to the JCC prior to reporting to the Council or relevant Committee.
2. Employee members of East Lothian JCC will be granted paid leave for meetings of the JCC and for pre-meetings of the Staff Side. Where required,

|

cover will be in addition to the 'Policy for Time-Off for Trades Unions Duties and Activities'. The Council shall provide the necessary accommodation for meetings of the JCC, JCC sub-committees and Staff Side pre-meetings of the JCC.

3. The Council shall provide the necessary accommodation for meetings of the JCC and also facilities for requests for time off work from employee representatives of the JCC.

DRAFT

## MUSSELBURGH RACING ASSOCIATED COMMITTEE

### A Remit and Powers

To act in accordance with the relevant policies and procedures of East Lothian Council in force and as may be amended from time to time.

To provide, organise, safeguard, maintain, develop and improve, or assist in the provision, organisation, safeguarding, maintenance, development and improvement of horse racing and facilities for horseracing at Musselburgh Links, to manage and organise horse racing thereon, and to carry out such other related and ancillary function or functions as may be appropriate from time to time, to include all or any of the following:

1. to agree a strategy for the operation of Musselburgh Racecourse and to monitor progress and regularly review and update the strategy as and when required;
2. to approve revenue and capital budgets and year-end accounts. In addition, to monitor quarterly the financial position of the Racecourse and to generally supervise the operation of the Racecourse;
3. to approve, subject to the approval of the British Horse Racing Authority (or such other regulatory authority to which the duties of the British Horse Racing Authority shall devolve) the dates of race meetings to be held on the Racecourse;
4. to approve the amount of prize money to be paid in respect of racing events at such meetings;
5. to approve charges or admission for such race meetings and for the parking of motor cars on land in the control of the Musselburgh Racing Associated Committee at times when such meetings are held;
6. to agree the recruitment and remuneration to be paid to persons employed in connection with such race meetings and generally in the operation of the Racecourse;
7. to make all arrangements in connection with such race meetings for the provision of meals and refreshments and catering generally, the letting and hiring of stands for the sale of any articles and the display of advertisements within all enclosures and for advertising and general publicity;
8. to approve any supplier contract of more than 12 months' duration;
9. to approve any individual capital expenditure relating to the Racecourse;
10. to approve any substantial alteration in, or addition to, the nature of activities undertaken at the Racecourse, in particular where such change is outside of the agreed overall strategy set by the Committee;
11. to approve the disposal of any moveable assets associated directly with the Racecourse;

12. to make all arrangements for the carrying out of improvements to land managed by the Musselburgh Racing Associated Committee and for the general maintenance and upkeep of said land and of any buildings, stands, rails, posts, fences and other apparatus erected thereon;
13. to seek to maximise the use of the infrastructure used for the purposes of the Racecourse and income therefrom for both racing and non-racing purposes, insofar as such use does not detract from or interfere with the operation of the Racecourse for its primary purpose or horse racing or contravene Common Good restrictions and does not otherwise cause disturbance to and widespread opposition from residents in the immediate vicinity of the Racecourse. For the avoidance of doubt, no such resident or residents shall be able to rely on the terms of this paragraph as giving them any right, title or interest to object to, or raise any proceedings in respect of, any such purpose or activity;
14. to appoint a General Manager to oversee the operation of the Racecourse, declaring that such an appointment shall require the agreement of at least five of the members of the Musselburgh Racing Associated Committee before it is approved, and to approved a Scheme of Delegation granting authority to the General Manager and other officers as the Musselburgh Racing Associated Committee consider appropriate to ensure the efficient and effective operation of the Racecourse. For the avoidance of doubt, there requires to be agreement of five members of the MRAC prior to dismissal of the General Manager;
15. in the event that the Council decides that the Racecourse is best operated through an arms-length external operator or a third party then, on appointment of the operator (but prior to the commencement of the transfer of the business to this operator) the General Manager's job title shall be changed to Chief Executive.

**B Membership and Attendance**

Formatted: Font: Bold

1. The membership of the Musselburgh Racing Associated Committee shall comprise 4 councillors and 2 independent members with knowledge and experience of the racing industry approved by the Council. The Convener of the Committee requires to be a Council representative and will be appointed by the Council. The Council shall determine the councillor membership of the Musselburgh Racing Associated Committee. In appointing councillors to the Committee, the Council shall seek to achieve political balance. In the event that this cannot be achieved, the Council may adjust the membership of the Committee by way of appointing members of any political group/independent councillors to the vacant places.

**C Quorum**

1. Four members, comprising at least one non-councillor member

**D Substitutes**

1. There shall be no substitutes.

**E Meetings**

1. Meetings shall be called by the Chief Executive of the Council. The notice shall specify the agenda for the meeting and shall be accompanied by the reports to be discussed at the meeting.
2. Meetings may also be called by written requisition of the non-councillor members addressed and sent to the Council's Chief Executive specifying the agenda for the meeting. Where such a written requisition is made, the Council's Chief Executive shall, within 21 days, issue the notice calling the meeting.
3. The agenda shall, whenever possible, be issued seven days prior to the meeting.
4. Meetings of the Musselburgh Racing Associated Committee will, where appropriate, be held in public.
5. In the event of a tied vote, the Convener will have a casting vote.
6. In the absence of the Convener at a meeting, the Council members of the Committee will nominate a substitute Convener.

**F Reporting Arrangements**

1. An official of the Council shall be responsible for taking minutes of the meetings of the Musselburgh Racing Associated Committee, and the minutes shall be submitted to the next convenient meeting of the Musselburgh Racing Associated Committee for approval. Notwithstanding this arrangement, a copy of the draft minutes shall be issued to members of the Musselburgh Racing Associated Committee within 21 days of the meeting to which they refer.

**G Miscellaneous**

1. The remit of the Musselburgh Racing Associated Committee shall not be amended without the agreement of at least five of the members of the Committee. Any such amendment shall also require the approval of the Council before it is implemented.



## **COUNCILLORS' ROLE DESCRIPTIONS**

### **Nature and Requirements of the Role**

Councillors in Scotland are elected in groups of 3 or 4 to represent the interests of around 15,000 people living within their ward. While it is common for those councillors to be elected as a member of a political party, their focus should be on working together in the interests of all their residents and in the interests of the Council as a whole.

Councils and councillors are responsible for delivery of a wide range of local services that are affected by community requirements including education, social work, planning, housing, roads, licensing and community services like libraries, sports, pools, playgrounds, and recreation.

As well as the prime duty of ensuring a fair, efficient and equitable distribution of council services among their residents and the secondary duty of providing an objective route for complaint when this is perceived not to be the case, councillors also have a duty to lead and to give guidance to the people's voice in forming a vision for their future and seeking optimal methods to achieve it. This involves acting as an 'honest broker' between people's ambitions and the practical problems of funding, formulating and achieving such ambitions. Patience, intuition and an ability to adopt causes not your own will go a long way to discharging the objective duty inherent in the job as all decision made are accountable to the public.

The more pragmatic specific legal requirements of being a councillor are to sign a declaration of office, attend at least one meeting of the Council or any of its committees or sub-committees or carry out some other approved duty in a six month period and to make appropriate entries in the Register of Members' Interests. More than that, Councillors have a duty to uphold the law at all times while acting in accordance with the public trust placed in them.

Whenever engaged on Council business, councillors are obliged to comply fully with the Council's Standing Orders, including those regarding the conduct of meetings and to meet all requirements of the Councillors' Code of Conduct. It is the responsibility of all councillors to maintain the highest standards of conduct and through their actions promote the core values of the Council, provide an example to others and maintain and strengthen the public's confidence in the integrity of the Council and its councillors.

## **ALL COUNCILLORS**

### **Key purpose/ roles**

- To represent the views and interests of your Ward and its individual constituents and deal with enquiries and representations fairly and without prejudice
- To contribute actively to the formulation and scrutiny of the Council's policies, budgets, strategies and service delivery
- To champion the best interests of the Council and the community as they relate to the improvement of the quality of life, social, economic and environmental well-being of the community and its citizens
- To work in partnership with others in the Council, partnership organisations at council and community level to help to achieve the above

### **Key tasks/ accountabilities**

- To represent and act as an advocate for the interests of your Ward, liaising and working with local organisations and representative groups to further the interests of the Ward and its individual constituents
- To be available to represent and deal effectively with constituents' enquiries and representation on individual and community interests
- To contribute effectively to the debates and decision making activities of the Council prior to setting policies, budgets, strategies and service delivery targets
- To participate effectively as a member of any committee or panel to which you are appointed,
- To participate in the scrutiny or performance review of the services of the Council including the scrutiny of policies and budgets and their effectiveness in achieving the Council's objectives
- To support and strive to develop an inclusive and constructive working environment and effective working relationships with other elected members and officers of the Council
- To participate in the activities of any outside body or partnership forum to which you are appointed by the Council, providing two way communications between the Council and the body. Also to develop and maintain a working knowledge of the Council's policies and practices in relation to that body and of the community's needs and aspirations in relation to that body's role and functions
- To liaise on behalf of the Council and represent and promote the Council's interests with other public bodies to promote better understanding and partnership working
- To act in accordance with the statutory and locally determined codes of conduct and standards for elected members and maintain the highest standards of conduct at all times

## **SENIOR COUNCILLORS**

In addition to the roles, tasks and accountabilities expected of all councillors the following are expected of councillors with significant additional responsibilities (Cabinet members and Leader of the Opposition):

### **Key purpose/ roles**

- To provide leadership in relation to policy formulation, implementation and monitoring of the Council's policies, budgets, strategies and service delivery in relation to your specific area of responsibility, and to contribute to the effective governance of the Council
- To contribute to the effective governance of the Council
- To ensure that your area of responsibility contributes to promoting the best interests of the Council and the community and improve the quality of life, social, economic and environmental well-being of the community and its citizens

### **Key tasks/ accountabilities**

#### **For your area of responsibility:**

- To facilitate policy development via appropriate mechanisms – Cabinet, committees, working with officers and working in partnership with partner organisations
- To give political direction to senior officers of the Council and members of your political Group in your area of responsibility
- To chair effectively relevant committees, sub-committees and
- To take responsibility for decisions taken within these committees or other forums
- To support and encourage participation and debate by all councillors in relevant forums including committees and sub-committees and respond to scrutiny of decisions and service delivery/ performance
- To ensure that effective working relationships with all councillors, officers and relevant partner organisations are developed and maintained
- To represent and communicate the views and best interests of the Council in relevant forums including the community, the media, partnership organisations and national bodies
- To monitor, review and comment on performance and budget, to ensure that Council policies are implemented; and where necessary initiate relevant action
- To be fully aware of relevant legislative and national and local policy frameworks
- To work with others to ensure the effective governance of the authority
- To contribute to policy formation on corporate strategy, policies and overall budget matters and participate constructively in relevant forums

- To represent the Council at appropriate civic and/ or other engagements including as a substitute for the Council Leader or Provost

### **COUNCIL LEADER**

In addition to the roles/ tasks and accountabilities expected of all councillors the following are expected of the Council Leader.

#### **Key purpose/ roles**

- To lead the political administration of the Council
- To provide leadership in relation to policy formulation, implementation and monitoring of the Council's policies, budgets, strategies and service delivery and to contribute to the effective governance of the Council
- To provide strategic leadership and clear political direction and guidance to promote the best interests of the Council and the community and improve the quality of life, social, economic and environmental well-being of the community and its citizens
- To ensure that effective working relations are developed throughout the Council and between the Council and external partners in order to promote the best interests of all its communities

#### **Key tasks/ accountabilities**

- To provide strategic, political and cultural leadership for the Council in partnership with the Chief Executive
- To give direction to the Chief Executive on political matters and participate in the performance review and development of the Chief Executive
- To have an overview and facilitate corporate and cross cutting policy formulation, strategy development and financial planning
- To promote partnership working with partner organisations and other service providers, including Community Planning partners
- To act as the principal Council representative in discussions and negotiations with national bodies
- To ensure that the political decision making structures of the Council operate effectively
- To take responsibility for, and promote the Council's policy and political decisions
- To be the political figurehead and provide an external focus for the Council including handling media and press enquiries
- To develop and maintain effective working relationships with councillors and senior officials

## **PROVOST**

The title 'Provost' is the title given by the Council to the role of Convener of the Council elected as required under section 4 of the Local Government etc (Scotland) Act 1994. The statutory requirement of this role is to chair meetings of the full Council.

By tradition, the Provost also fulfils a unique and important function as the civic head in representing the Council and the wider East Lothian community at ceremonial and other formal events and occasions both within and outside East Lothian. The Provost is the formal representative of the Council when meeting with visiting dignitaries.

The Provost is required to ensure that the interests of all councillors are represented fairly and that they are given a fair hearing in Council meetings.

The responsibilities of all members of East Lothian Council to maintain the highest standards of conduct apply particularly to the Provost who is in a position, through personal conduct, to promote the values of the Council, to provide an example to others and to enhance the reputation of the Council and East Lothian.

In addition to the roles/ tasks and accountabilities expected of all councillors the following are expected of the Provost.

### **Key tasks/ accountabilities**

The Provost is expected to:

- Act as civic head hosting Council events and attending other events as civic leader and representative of the Council and the East Lothian communities
- Promote East Lothian's profile to the wider community through public appearances at social, community, cultural and business events and through the media
- Foster networks with other organisations in both the business and public sectors to support and enhance the development of East Lothian and its communities
- Chair the meetings of the full Council and ensure the proper conduct of business in terms of the Council's Standing Orders and the Council's values and commitment to honesty, openness and accountability and effective scrutiny of policies and decisions
- Liaise closely with the Leader of the Council in terms of the civic roles and functions on behalf of the Council
- Promote the core values of the Council in fulfilling their remit

## OTHER RELEVANT INFORMATION

It is a responsibility of all members of East Lothian Council, both through their personal conduct and through their work including contact with the people in the area they represent, the media and other agencies, to observe the highest standards of conduct and to uphold and enhance the role and reputation of the Council and the public perception of its status.

Councillors should always be able to justify their actions to the public and must at all times avoid any circumstance which could lead to the suspicion, or give the appearance of, improper conduct. They should carry out their roles and duties in a dignified manner and should never act in such a manner that they bring the Council into disrepute. The required standards of behaviour are described in the Councillors' Code of Conduct approved by the Scottish Parliament and enforced through the Standards Commission and any local arrangements applicable within East Lothian, including the Council's Standing Orders.

Provided that Councillors' fulfil the statutory requirement as to attendance at meetings, or carrying out any other approved duty, and do not incur any of the statutory disqualifications for membership or commit some offence which results in forfeiture of membership, they remain a member until the next ordinary elections when they are accountable to the electorate if they stand for election again. In a day to day context, individual Councillor's standards of conduct and performance can be regulated and monitored through, for example:

Councillors approved duties referred to above are approved by the Council for the purpose of reimbursing Councillors for travel and subsistence expenses in accordance with The Local Governance (Scotland) Act 2004 (Allowances and Expenses) Regulations 2007.

Councillors are able to represent their individual and group constituents' interests within the council through various means including:

- Asking questions of the Provost, the Council Leader or a Cabinet Spokesperson at meetings of the full Council
- Pursuing matters of concern to constituents with the appropriate officials of the Council
- Putting down a motion for debate at meetings of the Council

Chairs of any Council Committee are required to act at all times in a manner to enhance the reputation of the Council in terms of fair representation, open government and accountability and as representatives of both the Council and the community, to maintain the highest standards of integrity and behaviour in accordance with the Council's Standing Orders and the Councillors' Code of Conduct approved by the Scottish Parliament and enforced by the Standards Commission and any local arrangements applicable in East Lothian.

In terms of the Council's Standing Orders, Chairs are responsible for the conduct of the meetings of their bodies including:

- Keeping order in respect of both members of their body and any members of the public present

- Ensuring that members have a fair hearing
- Regulating the participation by officers
- Ruling on all matters of procedure, competency and relevancy
- Adjourning meetings.

Chairs are required to ensure that their bodies fulfil their remits set out by the Council or in Standing Orders.





---

## ADVICE NOTE FOR COUNCILLORS ON DISTINGUISHING BETWEEN THEIR STRATEGIC ROLE AND ANY OPERATIONAL WORK

---

### 1. Introduction

- 1.1 This Advice Note, issued by the Standards Commission for Scotland (Standards Commission), aims to provide assistance to councillors to help them in distinguishing between strategic and operational management.
- 1.2 The Advice Note suggests issues councillors should consider in order for them to ensure they undertake their scrutiny role effectively while still complying with the provisions regarding relationships with employees and decision-making in the Councillors' Code of Conduct (the Code).
- 1.3 Councillors have a personal responsibility to observe and comply with the rules in the Code. This Advice Note is intended to assist them in interpreting the provisions in the Code in order to do so and should, therefore, be read in conjunction with the Code of Conduct.
- 1.4 Audit Scotland's *How Councils Work* series and, in particular, their 2016 Report '*Roles and working relationships in councils - Are you still getting it right?*' make suggestions to help councillors drive improvement in respect of governance arrangements and to manage productive relationships with officers. Councillors are, therefore, also encouraged to refer to their work in this regard.
- 1.5 Councillors are required to provide strategic leadership and management. This involves setting strategy, planning, scrutinising and making major, complex decisions that concern the Council as a whole. Councillors are not, however, responsible for operational management, which is the planning, organising and execution involved in day to day activities. This is role of officers.
- 1.6 This Advice Note aims to help councillors distinguish between strategic and operational management so that they do not become inappropriately involved in the officers' role.
- 1.7 It is recognised, however, that councillors are also required to be involved in certain operational matters when:
- Undertaking advocacy work (lobbying or campaigning);
  - Representing constituents (case work); and
  - Taking decisions on quasi-judicial or regulatory applications (in role on any regulatory, appeals and appointment committees).

This Advice Note also aims, therefore, to provide advice about how to balance these more operational aspects of a councillors' role with their strategic role. It also provides advice about

how to avoid conflicts when undertaking the decision-making role on any regulatory, appeals and appointment committees.

## 2. Relevant Provisions in the Councillors' Code of Conduct

- 2.1 The Code contains provisions relating to the differences between the responsibilities of elected members and Council employees. Specific applicable paragraphs in the Code include:

### ***Relationships with Employees (including those employed by contractors providing services to the Council)***

- 3.3 *You must respect all Council employees and the role they play, and treat them with courtesy at all times. It is expected that employees will show the same consideration in return.*
- 3.4 *Whilst both you and Council employees are servants of the public, you have separate responsibilities: you are responsible to the electorate but the employee is responsible to the Council as his or her employer. You must respect the different roles that you and an employee play. Your role is to determine policy and to participate in decisions on matters placed before you, not to engage in direct operational management of the Council's services; that is the responsibility of the Council's employees. It is also the responsibility of the Chief Executive and senior employees to help ensure that the policies of the Council are implemented.*
- 3.5 *You must follow the Protocol for Relations between Councillors and Employees attached at Annex C of the Code of Conduct. A breach of the Protocol will be considered as a breach of this Code.*

#### *Annex C*

- 2 *Councillors and employees should work in an atmosphere of mutual trust and respect, with neither party seeking to take unfair advantage of their position.*
- 4 *Within a Council, councillors have a number of different roles, all of which call for separate consideration. Some councillors are chairs of committees, most belong to political groups, and all have a local ward to represent.*
- 16 *All councillors represent part of the area of the Council. Within each Council's rules about consultation and councillor involvement, employees must treat all councillors fairly and openly in their role as local representatives. When performing their local representative role, councillors will be seen by the public as representing the Council and should act in accordance with the principles of the Code of Conduct for Councillors and this protocol.*

## 3. Strategic and Operational Management

- 3.1 The work of a Council is a team effort, in which the role and work of councillors is balanced with, and complemented by, the role and work of officers. As a councillor, your role is to determine policy and to participate in decisions on matters placed before you. It is not to engage in direct operational management of the Council's services. Your role is to:
- provide strategic leadership; to ensure financial stewardship is achieved through the efficient, economic and effective use of resources; and

- hold the Chief Executive and senior management team to account by scrutinising the implementation of policies, procedure and expenditure.

Your scrutiny role should be undertaken with a view to making recommendations for improvement and should not be used to direct or instruct officers to change specific operational decisions. You may also be involved in determining the steps needed to deal with changes which are likely to impact on the strategic aims and objectives of the Council. Your duty is also to help ensure that effective arrangements are in place to provide assurance on risk management, governance and internal control.

- 3.2 The Local Government (Scotland) Act 1973 requires the Council to maintain a list specifying those powers which are exercisable by officers, and stating the title of the officer who exercises that power. Your Council will, therefore, have a Scheme of Delegation or Scheme of Administration intended to facilitate the efficient conduct of its business by clearly setting out the nature and extent of the powers delegated to officers by the Council. The powers delegated to officers will normally only be subject to material change by an action of the Council in accordance with its Standing Orders. A list of statutory officers can be found in the first of Audit Scotland's 'How Councils Work' series at [www.audit-scotland.gov.uk/our-work/how-councils-work](http://www.audit-scotland.gov.uk/our-work/how-councils-work).
- 3.3 You should ensure you are familiar with your Council's Scheme of Delegation or Scheme of Administration. You should ensure you are aware of what decisions are to be taken by officers and the level at which they are made. You should note that they will also be many operational decisions routinely and appropriately taken by officers that will not necessarily be listed in such a scheme.
- 3.4 If a decision involves purely operational or administrative issues, with any expenditure being within existing budgets, it will usually be made by an officer without reference to elected members. It should be noted that some decisions may have both operational and strategic elements and, as such, decisions may be taken by officers following consultation with certain Members (such as the Leader or Deputy Leader, Committee Chairs, Vice Chairs or Ward Members) in order to have appropriate engagement and steer from elected members. Determining and issuing a response on behalf of the Council to a press enquiry will usually also be a matter for officers.
- 3.5 You may be obliged as a councillor, however, to make decisions on some individual planning and regulatory matters. You may also make decisions on matters of an operational nature, being individual applications, if you sit on other committees such as regulatory, appeals and appointment committees (see paragraphs 4.1 and 4.11). Before you accept such a role you should make sure you are clear as to what it will involve and that you understand how to identify, and appropriately manage, any conflicts of interest.
- 3.6 You also have a role in representing the electorate at a ward level. In doing so, you may be expected to undertake some case work on behalf of individual constituents and also to campaign on local issues (see paragraphs 4.13 to 4.21 below).
- 3.7 These concurrent obligations can sometimes make it difficult for elected members to distinguish between operational and strategic matters and to understand the extent to which they should get involved in certain issues and decisions, which can lead to difficulties as outlined below.

#### 4. Matters to consider

- 4.1 You are expected to undertake some case work on behalf of individual constituents and also to campaign on local issues. [This can result, however, in you having a conflict of interest when it comes to decision-making, particularly in regulatory or quasi-judicial situations.] If you choose to be an advocate for or against a particular cause you will forfeit your right to be a decision-maker in regulatory or quasi-judicial decisions regarding that cause.

- 4.2 Becoming inappropriately involved in operational management and / or operational decision-making will be a breach of the Councillor's Code of Conduct. It can also damage your relationship with officers and have a detrimental effect on how they perform their duties. Some examples of how a councillor might become inappropriately involved in an operational matter can be found at Annex B. You should remember that you have, or may be perceived as being in, a position of power over an officer. This means that they may feel pressured into taking a particular action or decision or to focus on the matter you are concerned with over other work, even if they have tasks that should be completed as a higher priority.
- 4.3 A failure to appropriately distinguish between strategic and operational matters will be a contravention of the Councillors' Code of Conduct. Some examples are provided at Annex A, and include cases where a councillor became too involved in a complex social care case; where a councillor failed to declare his involvement with a lobbying group when making a planning decision; and where a councillor failed to distinguish between his role as potential objector to a planning application and his role as a councillor.
- 4.4 You should consider whether any matter you are getting involved in or have asked to be involved in is strategic or operational in nature. You should bear in mind that you have a duty to act in the public interest and undertake a scrutiny role to ensure your Council uses its resources prudently and in accordance with law. Robust challenge and involvement from elected members in driving improvement of council performance at a corporate level, linked to the Council's priorities, is a key element of a commitment to delivering Best Value, as set out in the Local Government in Scotland Act 2003. This statutory duty applies to every elected councillor as well as to officers. In undertaking your scrutiny role, you are obliged to make sure service user and community views are taken into account and that the Council responds to these.
- 4.5 You should bear in mind, however, that you are a member of the Council. You have a duty to act in the interests of the Council as a whole and are representing it at all times, regardless of whether you are in the administration or not. [Although you also need to be aware of any separate responsibilities you may have as a member of an external organisation such as any charity, Health & Social Care Integration Joint Board, Arms' Length External Organisation or Regional Transport Partnership to which you have been nominated or appointed by your Council – see paragraph 5.1 for where to find more guidance on this topic]. It is understood that Councils operate in an often highly politicised environment, which can lead to tensions. However, you should be conscious of considering the overall interests of the Council even when advocating a particular political point or agenda.
- 4.6 You have a right to receive good quality information from officers on which to base your decisions and undertake your scrutiny role. This information should be proportionate, balanced, comprehensive and understandable. If you do not consider you are receiving the information you require to assure yourself that you are in a position to make informed decisions, you should raise the issue with an appropriate officer (such as the relevant Head of Service). The Improvement Service's Elected Member Induction Notebook on Standards, Ethics and Information Handling contains guidance on the type of information you are entitled to receive. Information on where to find the Notebook is provided at Section 6 of this Advice Note.
- 4.7 In dealing with officers and members of the public you should always consider both what you are expressing and the way you are expressing it. You should also consider how your conduct could be perceived. You should be able to undertake a scrutiny role, represent the public and any constituents, or make a political point in a constructive, respectful, courteous and appropriate manner without resorting to personal attacks, being offensive, abusive and / or unduly disruptive.
- 4.8 You should bear in mind that any issues relating to behaviour, performance or conduct of an officer should be raised privately with the appropriate senior manager. You should not become involved in any issues relating to individual officers' pay or terms and conditions of employment,

unless you are serving on a committee delegated to deal with such a tasks. Similarly, the recruitment of staff is an operational matter and should be left to officers, unless you serve on a committee that deals with the appointment of senior officers.

4.9 You must consider:

- Whether you are acting in accordance with the provisions in the Councillors' Code;
- Whether you are asking an officer to do something which could compromise them or prevent them from undertaking their duties properly and appropriately, including being unable to complete other tasks;
- Whether you are asking an officer to act against instructions of management;
- Whether you are bringing any undue influence to bear on an officer to take a certain action, particularly if it is contrary to the law or the Council's policies and procedures (bearing in mind that you may well be perceived by officers as being in a position of power);
- The nature of the officer's role and their seniority;
- Whether your actions could impact on the mutual bond of trust between councillor / members and officers; Whether you are asking an officer to do something which compromises them or could compromise them (including exposing them to disciplinary measures);
- Whether your actions result in an officer feeling pressured or threatened or adversely impact on his or her health; and
- That while you are entitled to freedom of expression under Article 10 of the European Convention on Human Rights, the right is not absolute and would not cover gratuitous, offensive or abusive personal attacks on officers or harassing, bullying or threatening officers in the course of their employment.

4.10 You should note that even if your conduct may not amount to a breach of the Code of Conduct there could well be other consequences, for example, exposing the Council to judicial review or to a grievance from an officer.

4.11 If you sit on any regulatory, appeal or appointment committee you should make sure you are familiar with the committee's standing orders / procedures and the extent of their delegated powers. You should also familiarise yourself with your Council's call-in processes, if such procedures are in place.

4.12 If you are asked to become involved in an operational matter, you need to be clear about whether you are simply being asked to assist a constituent or constituents in how to access the appropriate service or officer or whether you are advocating for or against a cause.

### Assisting constituents

4.13 If, at a ward level, you are asked to provide a constituent with assistance, you should ensure you manage their expectations in terms of the extent to which you can help. For example, you should advise a constituent who has sought help with a case that while you can seek information on their behalf, you cannot overturn a decision and that they will need to follow the appropriate procedures for doing so. You should also advise the constituent that you cannot seek legal advice from the Council on their behalf or pass on any legal advice provided to the Council or by a Council officer.

4.14 You should not pursue any casework that is likely to come before you at a quasi-judicial or regulatory committee as doing so could preclude you from taking part in the discussion and voting. Again, you should explain why you cannot do so to any constituent who has asked for assistance. If you choose to pursue such casework, you should follow the guidance at paragraphs 4.22 to 4.24 below on advocating for or against a cause.

- 4.15 In order to avoid becoming inappropriately involved in operational matters and to prevent any conflicts arising, you should consider exactly what you are being asked or are offering to do on behalf of a constituent. There should be no difficulty if you have managed your constituent's expectations appropriately and are simply:
- Advising officers of representations received;
  - Helping constituents make their views known to the relevant and appropriate officer;
  - Seeking factual information on progress on behalf of a constituent; and / or
  - Advising a constituent about whom they should contact and the correct procedure to follow.
- 4.16 You should use your Council's case management system (or any equivalent agreed internal procedure), where appropriate, to record details of enquiries you make on behalf of constituents and also to keep track of any response and progress made towards resolving their query or concern. This will ensure that such an enquiry is dealt with by the appropriate officer. You should record or keep a note of any advice you give to a constituent. Some Councils have agreed procedures or protocols for the communication between councillors and officers. You should ensure that if such a protocol exists, you are familiar with it.
- 4.17 If you are unable or it is not appropriate to use the case management system (or any equivalent agreed internal procedure), you should ensure any enquiry is directed towards an appropriate officer, which will normally be an officer at a senior level who can then delegate the work as appropriate. You should bear in mind that officers are accountable to their own line managers and, even if you think you have identified an officer who you think is best placed to answer your query, you will not have knowledge of their workload and / or whether they have been asked to prioritise any other tasks.
- 4.18 If you have been asked by a constituent to help with concerns they have about a Council service or decision and / or you have identified a mistake or problem, you can ask officers to review what has happened and, what is being done to resolve the issue and to prevent it from happening again. You should ensure the constituent is aware, however, that councillor enquiries are not a substitute for any formal complaint process. You should also make your constituents aware that if decisions have been made in accordance with Council policy, it may not be appropriate for them to be reviewed.
- 4.19 You should decline to get involved if you are approached by any officer who is also a constituent in respect of any matters relating to their employment with the Council. You should advise the officer concerned to contact their line manager, trade union or follow the appropriate internal procedures for raising any such issues.
- 4.20 While you may have some experience in a particular field, you should never assume or should be wary of assuming that you have more knowledge than officers who receive specific training and who should have a good, and up to date, awareness of the Council's policies and procedures relating to the tasks they are performing.
- 4.21 If you consider an officer is not providing you with information you have a right to access or is not recognising that you have a legitimate advocacy role on behalf of constituents, you should raise your concerns with the appropriate senior manager.
- 4.22 If you are concerned that a constituent is making or has made a fraudulent claim, you may be obliged to report the matter. You should, therefore, ensure that your constituents are aware that not all information they provide to you can be kept confidential. More information and guidance on confidential information and data protection can be found in the Improvement Service's Elected Member Induction Notebook on Standards, Ethics and Information Handling.



## Advocating for or against a cause / taking decisions on quasi-judicial or regulatory applications

- 4.23 If you are approached, you can listen to views expressed but you must make it clear that you cannot lend support for or make a decision on a regulatory or quasi-judicial matter until the appropriate meeting, when you have heard all the evidence. If you decide to advocate for or against a particular cause, you will forfeit your right to be a decision-maker in regulatory or quasi-judicial decisions regarding that cause.
- 4.24 Where you wish to make representations on behalf of constituents or other parties, you may do so (in accordance with paragraph 7.15 of the Councillors' Code, as reproduced below), providing you do so in terms of the Council's procedures; you declare your interest in the matter; and, having made any representations, you retire fully from the meeting room (it is not sufficient to retire to a public gallery situated within the meeting room).

### **Representations on behalf of constituents or other parties**

- 7.15 *If as part of the decision-making process you wish to make representations on behalf of constituents or other parties you may do so providing:-*
- i) you do so in terms of procedures agreed by the Council which afford equal opportunity to any parties wishing to make representations to do so,*
  - (ii) you declare your interest in the matter; and*
  - (iii) after making those representations you then retire from the meeting room.*

- 4.25 If you are making representations and, for example, you wish to support your constituents' views regarding a planning application, you should make this position clear as soon as possible to the chair of the committee and officers. Your declaration of interest should be recorded in the minutes of the meeting.

## 5. Further Sources of Information

- 5.1 The Standards Commission has published guidance and advice notes on how to interpret, and act in accordance with, the provisions in the Councillors' Code of Conduct, including those relating to relationships with employees. This guidance can be found on the Standards Commission's website at: [www.standardscommissionscotland.org.uk/guidance/guidance-notes](http://www.standardscommissionscotland.org.uk/guidance/guidance-notes). The Standards Commission has also published guidance for councillors on arms' length external organisations, which seeks to assist councillors in recognising and dealing with potential conflicts of interest to minimise risks to governance and accountability arrangements. This advice can be found at: <http://www.standardscommissionscotland.org.uk/education-and-resources/professional-briefings>.
- 5.2 The Standards Commission also publishes written decisions of Hearings held on its website, which can be found at: [www.standardscommissionscotland.org.uk/cases/case-list](http://www.standardscommissionscotland.org.uk/cases/case-list).
- 5.3 The Improvement Service's Induction material includes guidance on Standards, Ethics and Information Handling; Corporate Governance; The Roles and Responsibilities of the Elected Member at Council Level; and The Roles and Responsibilities of the Elected Member at Ward Level. These can be found at: [www.improvementservice.org.uk/elected-member-induction-materials.html](http://www.improvementservice.org.uk/elected-member-induction-materials.html).
- 5.4 The Accounts Commission's 2010 'Report on Roles and working relationships - are you getting it right?' and their 2016 Report 'Roles and working relationships in councils - Are you still getting it right?' highlight the complex and demanding role that councillors have in representing their constituents, providing strategic direction for the council, and scrutinising policy decisions and service performance. The Reports make recommendations to support councillors in their role in

order to help the drive for improvement in respect of governance arrangements. These Reports can be found at: [www.audit-scotland.gov.uk/our-work/how-councils-work](http://www.audit-scotland.gov.uk/our-work/how-councils-work).

- 5.5 If you have any queries or concerns about how to interpret or act in accordance with the provisions in the Councillors' Code of Conduct, you should seek assistance from your Council's Monitoring Officer. Further information can also be obtained from the Standards Commission using the contact details outlined below.

Standards Commission for Scotland  
 Room T2.21, Scottish Parliament  
 Edinburgh, EH99 1SP  
 Tel: 0131 348 6666  
 Email: [enquiries@standardscommission.org.uk](mailto:enquiries@standardscommission.org.uk).



Data control and version information				
Date	Action by	Version Updated	Current version	Brief Description
07/02/2018	LJ	N/A	V0.1	Draft Advice Note finalised and issued for consultation.
02/05/2018	LJ	V0.1	V1.0	Final Advice Note issued and published.
28/06/2018	LJ	V1.0	V1.1	Addition of Annex B
24/07/2018	LJ	V1.1	V1.2	Addition of further examples to Annex B



## ANNEX A: HEARING EXAMPLES

A councillor became involved in a social care case on behalf of a constituent during which time he had made suggestions and judgements about matters such as where his constituent should be housed, contact between the constituent and her children, and the rehabilitation of one child, which he was not qualified to do.

The Hearing Panel found that the councillor was not simply articulating his constituent's concerns but was instead inappropriately trying to use his role to engage in, and exert influence over, direct operational management.

While the Hearing Panel acknowledged the councillor had a responsibility to represent his constituent, it considered in so doing, he had lost sight of his other responsibilities as a councillor and his obligation under the Code to respect the different roles of councillors and officers. The councillor pursued the interests of his constituent without any objective consideration of the children's interests or the paramount duty the Council had to ensure their safety and welfare.

The Hearing Panel noted that the councillor had an expectation that actions should be taken in response to his engagement. The Hearing Panel considered that while his involvement may not have had any effect on the outcome of decisions, this had clearly been his intention.

The councillor failed to accept that he had an inherent influence in his role as an elected member. The Hearing Panel considered it was disingenuous to suggest it was open to officers to simply ignore his enquiries and requirements. The Hearing Panel further considered that the inappropriate level of involvement, enquiries and correspondence from the Respondent could have had an adverse impact on resources, given that officers felt obliged to respond.

The Hearing Panel concluded that the councillor's involvement in direct operational management and questioning of the professional judgement of officers amounted to a contravention of paragraph 3.4 of the Councillors' Code of Conduct. The councillor was suspended from all meetings of the Council for six months.

Before being elected, a councillor had been a spokesperson for a lobbying group who were opposed to a refurbishment of a school on its existing site. The councillor stood down from the position after the election but had continued to receive and send emails to members of the group, which included two of his close relatives. The councillor had, however, failed to declare his involvement as a non-financial interest and had failed to declare the non-financial interests of his sister and father-in-law, as close relatives, at meetings where a planning application in respect of the school was considered.

The Hearing Panel noted that the councillor's pre-election position as spokesperson for the group; his post-election public support for a new build site and his opposition to the refurbishment of the existing school; and the fact that he had continued to exchange emails about the matter meant that his involvement with the group had continued after his election as a councillor. The Hearing Panel concluded that, essentially, the councillor could be perceived as advocating for a cause. He should have declared his involvement and that of his relatives as non-financial interests, refrained from taking part in the planning decision and withdrawn from the room. The Hearing Panel found that the councillor had breached paragraphs 5.7, 5.12, 5.13 and 7.12 of the Councillors' Code of Conduct. The councillor was suspended from a planning committee of the Council for two months.

A councillor became involved in a dispute with his neighbour over the erection of a garden structure, which the councillor felt overshadowed his own garden. The councillor contacted key senior officers involved with Planning, requesting information or actions that would not be available to an ordinary member of the public. On one occasion, the councillor attempted to call-in his neighbour's planning application.

The Hearing Panel found that the councillor had used his position as a councillor to seek information not normally available to members of the public from senior officers of the Council, and attempted to exert influence in asking that the matter be dealt with urgently.

The Hearing Panel noted that although there was no evidence that the councillor attempted to put pressure on officers to reach a particular outcome in respect of the planning application, nor that his actions had any bearing on the decision that was ultimately made, officers may have felt under pressure to comply with such a request.

The Hearing Panel determined that the councillor's actions in requesting information not normally available to members of the public, in asking officers to deal with the matter urgently, and in failing to distinguish between himself as a potential objector and his role as a councillor when attempting to call-in the application, amounted to attempts to seek preferential treatment, and constituted a breach the Councillors' Code of Conduct. The councillor was censured.

---

# ANNEX B: EXAMPLES OF WHEN A COUNCILLOR BECOMES INAPPROPRIATELY INVOLVED IN AN OPERATIONAL MATTER

---

Specific examples of areas where councillors may inappropriately seek to get involved in operational matters include where a councillor:

- Demands that the contents of a report or its recommendations are changed.
- Insists that Council policy is varied to benefit an individual constituent.
- Demands to sign-off a press release on behalf of the Council, as opposed to accepting he or she is simply being consulted on it
- Tries to direct or alter the evaluation of a tender, grant application, or any other evaluation (for example, the scoring for which school is first on the list for replacement).
- Becomes involved in an individual staffing matter (except when serving on a Committee tasked to deal with such matters, such as a Personnel Appeals Committee).
- Insists on attending an operational meeting with an outside body, or an internal officer working group where elected members are not normally present.
- Seeks access to confidential internal audit reports, including doing so in advance of related disciplinary proceedings.
- Seeks to negotiate directly with trade unions and, in doing so, undermines agreed collective bargaining and the officers involved.
- Seeks to alter and approve an operational plan.



**REPORT TO:** East Lothian Council

**MEETING DATE:** 29 October 2019

**BY:** Depute Chief Executive (Resources and People Services)

**SUBJECT:** Submissions to the Members' Library Service  
15 August – 10 October 2019

---

**14**

## **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 15 August and 10 October 2019, 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

<b>AUTHOR'S NAME</b>	Lel Gillingwater
<b>DESIGNATION</b>	Team Manager - Democratic & Licensing
<b>CONTACT INFO</b>	<a href="mailto:lgillingwater@eastlothian.gov.uk">lgillingwater@eastlothian.gov.uk</a>
<b>DATE</b>	10 October 2019

**MEMBERS' LIBRARY SERVICE RECORD FOR THE PERIOD  
15 August – 10 October 2019**

<b>Reference</b>	<b>Originator</b>	<b>Document Title</b>	<b>Access</b>
112/19	Chief Operating Officer (Education)	Edinburgh and South East Scotland City Region Deal (ESES CRD) – Integrated Regional Employability and Skills Programme	Public
113/19	Head of Council Resources	Quarterly Customer Feedback Reporting	Public
114/19	Head of Infrastructure	Cessation of Authorised Bonfire Sites	Public
115/19	Head of Development	Scottish Government Consultation on Improving Temporary Accommodation Standards	Public
116/19	Head of Council Resources	Charges Book 2019-2020	Public
117/19	Depute Chief Executive (Partnerships and Community Services)	Analysis of Implication of City of Edinburgh Low Emission Zone Consultation	Public
118/19	Depute Chief Executive (Resources and People Services)	Service Review Report – Creation of an Inclusion Scotland Intern within Education, East Lothian Works	Private
119/19	Head of Council Resources	Bad Debt Write Off	Public
120/19	Head of Council Resources	Establishment Changes for August 2019	Private
121/19	Head of Infrastructure	Building Warrants issued under Delegated Powers August 2019	Public
122/19	Depute Chief Executive (Partnerships and Community Services)	Proposed New Sports Hall Extension at Port Seton Community Centre	Public
123/19	Head of Council Resources	Establishment Changes – September 2019	Private
124/19	Depute Chief Executive (Resources and People Services)	Service Review Report – Modern Apprentice – Education	Private
125/19	Head of Infrastructure	Building Warrants Issued under Delegated Powers – September 2019	Public
126/19	Head of Infrastructure	Sale of Land and Grant of Servitudes – Musselburgh	Private
127/19	Head of Infrastructure	Grant of Servitude Rights – Prestonpans	Private

10 October 2019

