



MINUTES OF THE MEETING OF EAST LoTHIAN COUNCIL

TUESDAY 25 FEBRUARY 2020
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON

Committee Members Present:

Provost J McMillan (Convener)	Councillor C Hoy
Councillor S Akhtar	Councillor W Innes
Councillor L Bruce	Councillor S Kempson
Councillor S Currie	Councillor G Mackett
Councillor F Dugdale	Councillor K Mackie
Councillor J Findlay	Councillor C McGinn
Councillor A Forrest	Councillor P McLennan
Councillor N Gilbert	Councillor K McLeod
Councillor J Goodfellow	Councillor F O'Donnell
Councillor N Hampshire	Councillor T Trotter
Councillor J Henderson	Councillor J Williamson

Council Officials Present:

Ms M Patterson, Chief Executive
Ms A MacDonald, Director of Health and Social Care
Mr A McCrorie, Depute Chief Executive (Resources and People Services)
Mr J Lamond, Head of Council Resources
Mr D Proudfoot, Head of Development
Mr T Reid, Head of Infrastructure
Ms S Saunders, Head of Communities and Partnerships
Ms L Brown, Chief Operating Officer – Education
Mr S Cooper, Team Manager – Communications
Mr J Coutts, Service Manager – Community Housing and Homelessness
Ms S Fortune, Chief Operating Officer – Finance
Mr C Grilli, Service Manager – Legal and Procurement
Mr D Henderson, Principal Accountant
Ms K MacNeill, Service Manager – People & Governance
Ms W McGuire, Team Leader – Strategy and Development
Ms J Tait, Chief Social Work Officer and Chief Operating Officer – Children's Services
Mr P Vestri, Service Manager – Corporate Policy and Improvement

Visitors Present:

Mr M Duff, Audit Scotland

Clerk:

Mrs L Gillingwater

Apologies:

None

Declarations of Interest:

Councillor McLennan: Item 7, in relation to his employment status

Prior to the commencement of business, the Provost announced that two former councillors, Mr Tom Lawrie and Mr Chick Moohan, had recently passed away. He paid tribute to them for the service that they had given to the Council and advised that he would send letters of condolence on behalf of the Council to their families.

The Provost announced that Wallyford Primary School had recently won the award of Development of the Year (Public Buildings) at the Scottish Property Awards. He congratulated the school's head teacher, Mhairi Stratton, the pupils, staff and wider community, and the Council's partners in the development of the facility, Hub South East and Morrison Construction.

1. MINUTES FOR APPROVAL

The minutes of the meeting of East Lothian Council held on 17 December 2019 were approved.

Item 10 – Notice of Motion: Bank Closures: in response to a question from Councillor McLennan regarding an update on the bank closure, the Provost advised that Members would be informed of the situation outwith the meeting.

2. MINUTES FOR NOTING

The minutes of the meetings of the East Lothian Local Review Body (Planning) held on 21 November 2019 were noted.

3. APPOINTMENT OF CHIEF EXECUTIVE

A report was submitted by the Deputy Chief Executive (Resources and People Services) advising the Council of the decision of the Chief Officer and Head Teacher Appointments Sub-Committee to select Monica Patterson as the new Chief Executive of East Lothian Council, and of various matters arising as a result. The Council was also asked to note the details of the retirement of Alex McCrorie, Deputy Chief Executive (Resources and People Services)

Kirstie MacNeill, Service Manager – People and Governance, presented the report, advising Members that the Chief Officer and Head Teacher Appointments Sub-Committee had selected Monica Patterson as their preferred candidate on 17 December 2019, and that following the standard pre-employment checks, Ms Patterson had taken up her new post on 3 February. She sought Council approval to appoint Ms Patterson as the Returning Officer for the East Lothian area, and to appoint Kirstie MacNeill as interim Monitoring Officer, pending a review of the Chief Officer structure. She also noted that Alex McCrorie had now returned to his substantive post of Deputy Chief Executive (Resources and People Services).

The Provost congratulated Ms Patterson on her appointment, and thanked Mr McCrorie for acting as Chief Executive.

Councillor Henderson also congratulated Ms Patterson and wished her success in her new role. These sentiments were echoed by Councillor Innes.

Decision

The Council agreed:

- i. to note the decision of the Chief Officer and Head Teacher Appointments Sub-Committee to select Monica Patterson for the post of Chief Executive, and to note that after satisfactory formal pre-employment checks were carried out, an offer of employment was issued and Monica Patterson took up the post of Chief Executive on 3 February 2020;
- ii. to note and approve any changes required to Standing Orders Appendix 2 (Scheme of Delegation) in relation to the delegations to the Head of Paid Service, as detailed in Section 4 of the report;
- iii. to approve the minute of the Chief Officer and Head Teacher Appointments Sub-Committee held on 16 December 2019;
- iv. to appoint the new Chief Executive, Monica Patterson, to carry out the role of Returning Officer within the East Lothian Area; and
- v. to note the intended retirement of Alex McCrorie, Depute Chief Executive (Resources and People Services) by reason of age;
- vi. to approve the appointment of Kirstie MacNeill, Service Manager – People and Governance, as interim Monitoring Officer.

4. BUDGET DEVELOPMENT, INCLUDING SETTING OF RENT LEVELS 2020-25

A report was submitted by the Depute Chief Executive (Resources and People Services) providing an update of recent developments in respect of the Local Government Finance Settlement, as well as presenting amended budget proposals for the Housing Revenue Account (HRA).

The Head of Council Resources, Jim Lamond, presented the report. He informed Members that due to the delayed issue of the draft settlement from the Scottish Government, consideration of the draft General Services budget and Council Tax would now take place at a special meeting of the Council on 3 March, and that only the Housing Revenue Account budget would be considered at today's meeting. However, he was in a position to advise Members that the draft settlement had been made on a one-year basis, and that there would be a cap of 4.84% on any proposed Council Tax increase. He pointed out that the draft settlement reflected a real-terms reduction to core revenue funding of 3%. He further noted that the settlement would not be finalised until the week beginning 2 March.

On the HRA budget, Mr Lamond advised that two amendments had been submitted to the Administration's budget proposals, by the Administration and the SNP Group, and both had been assessed as competent and in compliance with the Council's approved Financial Strategy. The amendments would be considered as Items 5a and 5b of the agenda.

Decision

The Council agreed:

- i. to note the unforeseen circumstances surrounding the delayed Draft Local Government Settlement offer of 6 February 2020, as set out within Sections 3.1-3.2 of the report: and

- ii. to consider and make recommendations in relation to the respective Housing budget proposals included within the agenda, reflecting formal amendments proposed to the Draft Administration Proposal for Housing, approved by Cabinet on 21 January 2020.

5. RENT PROPOSALS 2020/21–2024/25

(a) Amendment Submitted by the Administration

Councillor Goodfellow presented the Administration's Housing budget to the Council. He thanked Council officers, in particular Jim Lamond, Sarah Fortune, Douglas Proudfoot, James Coutts, Wendy McGuire and their teams for their support and assistance. He also thanked tenants who had participated in the rent survey and HRA rent proposal consultation, who had endorsed the proposed rent increase for the coming financial year. Councillor Goodfellow stressed the need for the Council to be ambitious in its house-building and modernisation programmes. He noted that the Council's rents were among the lowest in Scotland, whereas private rent levels in East Lothian were among the highest outside of Edinburgh. He declared that there would be a major programme of Council house building, as well as the acquisition of ex-Council properties.

Councillor Goodfellow made reference to the UN Universal Declaration of Human Rights, noting that children who grow up in poor housing have an increased risk of developing physical and mental health problems, future unemployment and educational underachievement. He announced that more than £100 million would be invested in new Council homes and almost £65 million would be invested in modernising existing stock. Whilst being very ambitious, these programmes would keep the HRA within budgetary limits. He proposed a 5% rent increase, noting that this increase would mean that East Lothian's rents would still be among the lowest in Scotland.

The Administration amendment was seconded by Councillor Dugdale, who welcomed the increase in new-build Council homes, which she saw as a positive outcome for everyone in East Lothian.

(b) Amendment Submitted by the SNP Group

Councillor Currie presented the SNP amendment to the Housing budget to the Council. He recognised that the Council had a duty to set rents on an annual basis, and he welcomed the annual consultation with tenants. However, he did have concerns about the wording of some of the consultation questions. He believed that, in the context of inflation and salary increases, a rent increase of 3% was adequate and proportionate, and would be supported by tenants. He pointed out that both amendments proposed the same number of new homes and the same levels of expenditure on the modernisation programme, for the 2020/21 financial year and over the five-year period. He also noted that an increase of 3% would allow the Council to maintain reserves of at least £1 million. He believed that the Administration was proposing a 5% rent increase because it was able to do so, and because it would increase HRA reserves by £600,000. He believed that this was not an acceptable approach as it was significantly above inflation, and that a 3% increase would allow the Council to deliver new homes, the modernisation programme, maintain the debt:income ratio and maintain the required level of reserves. He recommended his amendment to the Council.

The SNP amendment was seconded by Councillor McLeod.

The Provost then moved to the debate.

Councillor Innes opened the debate. He remarked that the SNP Group's HRA budget proposed an increase of 3% for the 2020/21 year, but a 5% increase each year until 2024/25, and questioned why a 3% increase was not proposed for each year if it was felt this was adequate. He observed that if rents were increased by 3% for each year of the budgeting period, there would be a significant impact on both the number of new homes being built and the modernisation programme. He did not believe that a 3% increase was sufficient to deliver what was required.

Councillor Bruce commented that the Council provided high-quality and well-maintained housing, and that it was very important to have a long-term strategy to invest in housing. He declared that the Conservative Group would be supporting the Administration's amendment, on the basis that it took into account a longer-term view of needs and demands, adding that the proposed 5% increase was supported by tenants in his ward.

Councillor Hampshire stressed that even with a 5% increase, the Council would still have one of the lowest rent levels in Scotland. He advised that the Administration planned to deliver an ambitious programme of new Council homes, as well as continuing with its modernisation programme. He described the SNP Group's 2020/21 proposals as a 'gimmick'.

The Administration's amendment was welcomed by Councillor Akhtar, who highlighted the importance of providing more Council housing to combat health inequalities, overcrowding and education attainment issues. She made reference to the recent investment in new homes and to the ongoing modernisation programme, noting that a 5% rent increase would allow the Council to sustain these programmes.

Speaking in support of the SNP Group's amendment, Councillor Gilbert expressed concern that the Administration's proposals would see the average rent levels rising from £270 per month in 2017 to £345 per month by 2022.

Councillor O'Donnell pointed out that in developing their proposals, the Administration had given a great deal of consideration to the impact of the increase on tenants, in the context of austerity. She believed that one way to mitigate this impact was to provide tenants with high-quality housing, and she felt that investing in housing for future generations was the right thing to do.

Summing up, Councillor Currie reiterated that both amendments were identical as regards the investment in new housing and the modernisation programme. He was of the view that anything more than a 3% increase would be unaffordable for many tenants, and made reference to a similar view expressed by Councillor Hampshire some years ago. Councillor Currie argued that the additional £600,000 would not be used to build new homes or modernise existing ones, but would be added to reserves. He also stressed the importance of looking at circumstances each year and considering the most appropriate increase. He refuted the claim that the 3% rise was a gimmick, and asked the Council to support the SNP Group's amendment.

Councillor Goodfellow summed up for the Administration, highlighting the need for the Council to take a long-term view of housing. He argued that the SNP Group's amendment did not do this, and by 2025 the HRA would exceed the 40% debt:income ratio – he warned against this approach as it would result in the Council having a significant burden of debt. He believed that a 3% rise would not be in tenants' long-term interest, and that a 5% increase would provide stability for current and future tenants. He commended the Administration's amendment to the Council.

The Provost then moved to the vote. Councillor Currie requested that the vote be taken by roll call.

The amendment to the HRA budget proposals submitted by the SNP for 2020/21 to 2024/25 was put to the vote:

For (6): Councillors Currie, Gilbert, McLennan, McLeod, Trotter, Williamson

Against (16): Councillors Akhtar, Bruce, Dugdale, Findlay, Forrest, Goodfellow, Innes, Hampshire, Henderson, Hoy, Kempson, Mackett, Mackie, McGinn, McMillan, O'Donnell

The amendment to the HRA budget as proposed and seconded by the SNP therefore fell.

The amendment to the HRA budget proposals submitted by the Administration for 2020/21 to 2024/25 was put to the vote:

For (16): Councillors Akhtar, Bruce, Dugdale, Findlay, Forrest, Goodfellow, Innes, Hampshire, Henderson, Hoy, Kempson, Mackett, Mackie, McGinn, McMillan, O'Donnell

Against (6): Councillors Currie, Gilbert, McLennan, McLeod, Trotter, Williamson

The amendment to the HRA budget as proposed and seconded by the Administration was therefore carried.

Decision

The Council agreed to approve the rent proposals as presented by the Administration and to increase Council house rents by 5% in 2020/21.

6. FINANCIAL REVIEW 2019/20 – QUARTER 3

A report was submitted by the Head of Council Resources informing the Council of the financial position at the end of December 2019.

The Chief Operating Officer – Finance, Sarah Fortune, presented the report. She highlighted a number of aspects within the report, including: the General Services budget position, which was showing an overspend of £2.6m at the end of Quarter 3; the current positions for each directorate; progress as regards achieving efficiency savings; the projected services' overspend at the year-end, anticipated to be in the region of £4m, but taking account of the loans fund review and ongoing mitigation projected to balance at the year-end; the current position with the capital programme (set out in detail at Appendix 4); and the HRA budget position, anticipating that the HRA revenue budget was likely to be delivered broadly in line with approved budget plans. She advised of the continuing financial challenges in the current financial year, stressing that further action would be required in respect of those services showing an overspend.

Councillor Bruce asked if the additional funding for school counsellors would cover the full cost of meeting the Scottish Government's objectives. Judith Tait, Chief Operating Officer – Children's Services, advised that there were concerns around how the funding could be used, and confirmed that the funding would not cover the provision of services within each school. She informed Members that a joint approach with Midlothian Council was being explored, and that it was important to ensure that the agreed model fits with other mental health provision in schools.

Councillor Mackie asked if the additional funding for additional support for learning (ASL) would resolve the financial challenges relating to external placements and the associated transport arrangements. Ms Fortune advised that the impact would not be mitigated by the

funding as it came with additional obligations. Lesley Brown, Chief Operating Officer – Education, added that the funding had to be used to support frontline services, and that officers were looking at how best to do that.

Councillor Henderson asked if Members could be kept updated about progress with the capital programme in order that they could better inform constituents. Ms Fortune advised that information had been provided to all group leaders on changes to this year's capital programme, and she would give further thought as to how best to keep all Members updated.

In response to a series of questions from Councillor Currie, Ms Fortune advised that officers were taking action to mitigate the overspend. She noted that there was a low level of uncommitted reserves and hoped that there would be no need to draw down more from the reserves than had been planned. She confirmed that the monies generated through the loans fund review were largely non-recurring, so it was important to mitigate service overspending going forward. She added that the loans fund review had not contributed to balancing the current year's budget but had been a feature within the 2018/19 year-end position. On coastal car parking income, Ms Fortune informed Members that the income levels were improving, but were still below the net budget position. Tom Reid, Head of Infrastructure, added that the introduction of the RingGo app and an increase in the uptake of season tickets had had a positive impact on income and that he anticipated that the planned income levels would be achieved in the 2020/21 financial year. He also noted that decriminalised parking enforcement activity had been targeted around schools and that this had increased costs in that area. He advised that a detailed report on coastal car parking would be presented to PPRC on 26 February. As regards the overspend in Education and Children's Services, Ms Fortune explained that recovery plans were continuing for Additional Support for Learning (ASL), supported through the Cost Reduction Fund, and there were signs of a positive impact of those measures, although she stressed that the overspend may not be completely mitigated. On Children's Services, Ms Tait advised that ten children had been returned from external placements over the past seven months, and there had been a reduction in the number of children requiring to be placed externally due to the use of additional funding from the Cost Reduction Fund for community-based alternatives. She cautioned that the savings would not be realised straight away, and that bringing children back from external placement was not cost neutral. She also pointed out that all of this had been achieved at a time when there had been a 20% increase in referrals.

Councillor Trotter asked how the town centre regeneration funding had been distributed. Ms Fortune suggested this had been the subject of a previous report to Cabinet and undertook to provide further details to Members.

Councillor O'Donnell asked how the East Lothian Health and Social Care Partnership was performing in comparison to other areas. Alison MacDonald, Director of Health and Social Care, advised that she was confident the budget would balance at the year-end. She added that East Lothian was the best performing area in Scotland as regards delayed discharge.

Councillor Hampshire thanked managers and staff for delivering services at a time of significant growth and financial challenges. He stressed that demand for services was increasing and that the Council would struggle to continue delivering services without additional resources.

Councillor Henderson commented that she was encouraged by Ms Tait's update on Children's Services.

Councillor Currie expressed concern that any monies taken from reserves would have to be replenished, and this would impact on services in future. He welcomed the positive position in relation to adult social care services, particularly on the delayed discharge performance.

He also paid tribute to Council staff for their efforts to deliver services whilst making efficiency savings. On the Children's Services budget, he was concerned that the overspend position would continue, and that there would be additional challenges for that service.

Councillor Akhtar remarked that all Members needed to acknowledge the demand on services at a time of significant growth in East Lothian. She suggested that the Scottish Government should allocate any unspent monies to local authorities to relieve pressure on services.

With reference to Councillor Currie's comments on the position with adult social care Councillor Innes commented that this was a result of longer-term planning by the Administration, and making sure that resources were allocated appropriately. He assured Members that the same approach would be applied to Children's Services.

Decision

The Council agreed:

- i. to note the financial performance at the end of December 2019; and
- ii. to note the continuing enhanced financial controls for managing the financial position.

7. DEVELOPMENT PLANNING: NATIONAL PLANNING FRAMEWORK 4/REGIONAL SPATIAL STRATEGIES AND LOCAL DEVELOPMENT PLAN

A report was submitted by the Head of Development advising of the Council's input into the production of a draft National Planning Framework 4 (NPF4) and supporting Regional Strategies. The report sought agreement on the key points that would be submitted to the Scottish Government as part of the preparation of NPF4 and of nominees for the new Edinburgh and South East Scotland City Region Deal (ESESCRD) Oversight Committee being put in place for future regional strategy work. The report also updated Members on the proposed timescales for the next East Lothian Local Development Plan (LDP).

Declaration of Interest: having declared an interest, Councillor McLennan left the meeting for the duration of this item.

The Head of Development, Douglas Proudfoot, presented the report, advising that the Scottish Government had issued a 'call for ideas' on national developments, and that the report provided a basis for the Council's response. He noted that the deadline for submission of the response was 31 March, and sought approval to delegate the finalisation and submission of the response to him, in conjunction with Councillor Hampshire. He undertook to engage with all political groups in this regard. He also indicated that the Council would have input into a regional response. On the City Region Deal governance arrangements, Mr Proudfoot advised that each local authority had been asked to nominate two members to its Oversight Committee, and proposed that Councillors Hampshire and McMillan should be appointed as the Council's representatives. He also made reference to changes in the development planning process, noting that work on the new Local Development Plan could not formally begin until 2021.

Councillor Gilbert expressed concern that the report made no mention of the Cockenzie Masterplan, and asked if this could be included in the submission. Mr Proudfoot explained that the Scottish Government was seeking high-level planning-related content at this stage, and assured Members that Blindwells and Cockenzie would feature in the submission due to their strategic importance. He added that the Masterplan was an important document,

developed in collaboration with the local community, and that it would feed into the process at a later stage.

Councillor Akhtar asked if the Council would be making requests for infrastructure funding as part of the regional submission. She also asked how the Council's Learning Estate Strategy would fit into the Regional Spatial Strategy. Mr Proudfoot advised that the process would involve working with the Scottish Government and other agencies and that there would be opportunities to access infrastructure funding through the City Region Deal. He stressed the importance and significance of the development planning process in the context of NPF4 and the new Planning Act, noting that all the Council's infrastructure requirements, as well as the Council's learning estate, would be taken into account.

In response to questions from Councillor Currie on developer contributions for health and social care facilities, Councillor Hampshire reported that the Council had sought to engage with the NHS throughout the Local Development Plan process on this issue, but to no avail. Mr Proudfoot added that there was land safeguarded at Blindwells for a health facility, and that the Council was working with the NHS on this.

Councillor O'Donnell asked if it was likely that NPF4 would be approved in time to inform the Council's next Local Development Plan. Mr Proudfoot confirmed that NPF4 and the Regional Spatial Strategy had to be in place prior to the Local Development Plan coming forward. He assured Members that there was an effective land supply in East Lothian up to 2023. He advised that there would be a consultation on NPF4 in the summer of 2020, and that it should be in place in 2021.

Councillor Hampshire welcomed the report, but was concerned about the timescales for the process and the future demand on housing in East Lothian. He stressed the need to have the infrastructure in place to support future development. Councillor Akhtar shared these concerns, adding that the delivery of services would also need to be taken into account.

Decision

The Council agreed:

- i. to approve the key points set out in the report as the basis for a Council response, both independently and through a joint submission with the other South East Scotland local authorities, to the Scottish Government on NPF4;
- ii. to delegate authority to the Head of Development and the Cabinet Spokesperson for Environment for the finalisation and approval of the Council's response to the NPF4 Call for Ideas;
- iii. to endorse the nominations of East Lothian's Cabinet Spokesperson for the Environment and Cabinet Spokesperson for Economic Development and Tourism as East Lothian Council's representatives on the new City Deal Oversight Committee; and
- iv. to note that until secondary legislation and transitional arrangements for development planning are published by the Scottish Government, no replacement to the adopted Local Development Plan would be formally progressed, although monitoring, technical studies and internal reviews in readiness had already been initiated and would continue to be undertaken as necessary.

8. SCHEDULE OF MEETINGS 2020/21

A report was submitted by the Depute Chief Executive (Resources and People Services) seeking approval for the Schedule of Meetings 2020/21.

The clerk presented the report, advising of the request by the Chief Executive to include an additional meeting of the Planning Committee, to be held on 18 August 2020. Members were also informed that the Council Chamber would be out of use between January and June 2021, and that alternative venues were being considered.

Decision

The Council agreed:

- i. to approve the proposed Schedule of Meetings for 2020/21, as amended; and
- ii. to note that the schedule was subject to change and that any changes would be communicated to Members and officers as soon as practicable.

Sederunt: Councillor McLennan returned to the meeting.

9. SUBMISSIONS TO THE MEMBERS' LIBRARY SERVICE, 30 NOVEMBER 2019 – 5 FEBRUARY 2020

A report was submitted by the Head of Council Resources advising Members of the reports submitted to the Members' Library since the last meeting of the Council.

Decision

The Council agreed to note the reports submitted to the Members' Library Services between 30 November 2019 and 5 February 2020, as listed in Appendix 1 to the report.

Signed

Provost John McMillan
Convener of the Council