



MINUTES OF THE SPECIAL MEETING OF EAST LoTHIAN COUNCIL

TUESDAY 2 MARCH 2021
VIA DIGITAL MEETING FACILITY

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 S Kempson
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:

Ms M Patterson, Chief Executive
Ms A MacDonald, Director of East Lothian Health & Social Care Partnership
Mr A McCrorie, Depute Chief Executive (Resources and People Services)
Ms L Brown, Executive Director for Education and Children's Services
Mr J Lamond, Executive Director for Council Resources
Mr D Proudfoot, Executive Director for Place
Ms S Fortune, Head of Finance
Mr T Reid, Head of Infrastructure
Ms S Saunders, Head of Communities and Partnerships
Ms J Tait, Head of Children's Services
Mr S Cooper, Team Manager – Communications
Ms K Duff, Treasury and Banking Officer
Ms A-M Glancy, Finance Manager – Corporate Accounting
Mr C Grilli, Service Manager – Legal and Procurement
Mr D Henderson, Principal Accountant
Ms K MacNeill, Service Manager – People and Governance
Ms K MacNeill, Service Manager – People and Governance
Mr D Marsden, Planning Obligation Officer
Ms D Pringle, Corporate Accountant
Ms C Rodgers, Team Manager – Improvement
Mr P Vestri, Service Manager – Corporate Policy and Improvement

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:

None

Prior to the commencement of business, the Provost advised that the meeting was being held remotely, in accordance with the Scottish Government's guidance on physical distancing; that the meeting would be recorded and live streamed; and that it would be made available via the Council's website as a webcast, in order to allow public access to the democratic process in East Lothian. He noted that the Council was the data controller under the Data Protection Act 2018; that data collected as part of the recording would be retained in accordance with the Council's policy on record retention; and that the webcast of the meeting would be publicly available for up to six months from the date of the meeting.

The clerk recorded attendance by roll call.

The Provost opened the meeting by paying tribute to Alex McCrorie, Depute Chief Executive, who would be retiring from his post in March. On behalf of all Members, he thanked Mr McCrorie for his many years of service to the Council, and wished him well in his retirement.

Councillor Currie asked if prior to the summing up in Item 2 there could be a short recess to allow political groups to reflect on the debate. There was no objection by the leaders of the other groups, and the Provost agreed to this request.

1. BUDGET DEVELOPMENT 2021–24, INCLUDING SETTING OF COUNCIL TAX

A report was submitted by the Executive Director for Council Resources, providing Members with an update on the budget development process and setting the scene for presenting amended budget proposals for Council Tax-setting and General Services budgets.

The Head of Finance, Sarah Fortune, presented the report, which provided a summary of the current settlement being made available to the Council, and the key implications of this for the Council, namely that the settlement was still draft; that it was being made on a one-year basis; that it would provide an overall increase of core funding of £1.230m; and that it would provide additional funding for specific policy commitments within social care, early learning and childcare, and safer walking and safer streets. She noted that additional funding equivalent of just under 3% had been provided to support a Council Tax freeze for 2021/22.

Ms Fortune drew Members' attention to Section 3.8 of the report, which set out additional funding announced to support COVID-19 interventions, adding that further detail of this funding was still to be received. She reminded Members that this funding was non-recurring and could not be used to support ongoing service delivery. She also advised that further detail on fiscal flexibility was awaited, but expected that the Council would be able to take advantage of a loans fund repayment holiday – this anticipated flexibility had been reflected in all three budget amendments.

Ms Fortune advised that all three political groups had submitted amendments to the Administration's draft budget proposals. She made reference to an officer error in the SNP Group's proposals, noting that a revised version of that amendment had been issued on 1 March and published on the Council's website. She confirmed that all three amendments

were competent and in compliance with the Council's approved Financial Strategy. Ms Fortune thanked her colleagues for their support in developing the budget proposals.

Councillor Dugdale asked if there had been any indication of the Council's allocation of additional funding for COVID-19 support, and if any of this could be used to assist the education recovery. Ms Fortune advised that she had not received detail on the allocation of general funding for COVID-19 support, but indicated that there would be additional funding of c. £1.4m to support children and young people in East Lothian, which could be used in the current and next financial year.

In response to a question from Councillor Akhtar, Ms Fortune advised that she hoped to get confirmation of additional consequential funding before the end of the financial year. She noted that some of this funding may be specific and policy-related, in which case it would be passed to the relevant service; non-specific funding would be used to manage financial pressures across the Council.

Decision

The Council agreed:

- i. to note the further update on budget development set out within the report; and
- ii. to consider and make recommendations in relation to budget proposals included at Item 2 on the agenda, reflecting formal amendments proposed to the Draft Administration Proposal for General Services approved by Cabinet on 19 January 2021.

2. BUDGET PROPOSALS ON GENERAL SERVICES

a) Amendment Submitted by the Administration

Councillor Hampshire presented the Administration's amendment to the budget proposals. After thanking officers for their support and advice, he alluded to the ongoing financial uncertainty created by COVID-19 and Brexit. He commented that the increased level of national debt would have a serious impact on future public services, and that Members would therefore need to consider the impact of budget decisions on the Council and communities. Councillor Hampshire advised that the Administration's budget proposals recognised the difficult financial situation that the Council was in, whilst including essential investment in services. He highlighted that the 0.7% increase in the revenue support grant from the Scottish Government meant that the Council would need to make future budget reductions or generate additional income. He declared that the Administration was proposing to freeze Council Tax for 2021/22.

Councillor Hampshire outlined a number of proposed measures included in the Administration's proposals, including:

- £1.5m investment in waste and recycling collection services, which would allow the weekly collection of recycling and food waste in one vehicle, contributing to the Council's net zero carbon target by 2045 or earlier
- £600k to support businesses recover from the effects of COVID-19
- £134m investment over the next five years in the development of new schools and school extensions
- £66m of funding for roads, cycling and safer streets
- £3m contribution to the development of a new railway station at East Linton (should planning permission be secured)
- £2.5m community intervention fund to support community projects

- £500k investment in play parks
- £692k investment in Dunbar Conservation Area Regeneration Scheme, to support restoration projects in Dunbar's old town.

Councillor Hampshire concluded his presentation by declaring that the Administration's proposals were sensible and would deliver economic growth, education recovery, quality services and a sustainable future. He called on all Members to support the Administration's budget proposals.

The Administration's amendment was seconded by Councillor Forrest, who welcomed the proposed funding support for businesses, and the measures put in place to allow children to return to school. He was also supportive of the investment in CCTV and improved access to the Brunton Hall. He commended the Administration's proposals, commenting that they would provide the best way forward for the Council.

b) Amendment Submitted by the Conservative Group

Councillor Bruce presented the Conservative Group's amendment to the budget proposals, thanking officers for their assistance during the process. He warned of the financial challenges facing local government in Scotland, claiming that the level of funding provided by the Scottish Government made it difficult for councils to deliver services. He also highlighted the importance of informing the public of how the Council would achieve efficiency savings. Councillor Bruce stressed the need to protect children and young people and their education, particularly given the potential long-term impact of COVID-19 on this group, and stated that this would be the priority for the Conservative Group. He noted that his Group's proposals included the creation of a £600k recovery fund to support young people whose education had suffered as a result of the pandemic, and that it would be for schools to determine how this money was used. He pointed out that in prioritising education, his Group would not be in a position to fund a business support scheme, but he was of the view that it was the Scottish Government's responsibility to do more to support business recovery.

Councillor Bruce drew attention to a number of aspects of his Group's proposals, including:

- the introduction of a charge for pre-planning application advice
- a review of the Council's print unit and facilities management service, with a view to achieving savings of £500k over three years and reducing the Council's carbon footprint
- a review of the Council's assets, an a focus on maintaining assets
- a review of staff terms and conditions
- increased investment in the Council's road network

In moving his proposals, Councillor Bruce declared that his Group's budget would protect communities and invest in East Lothian.

The Conservative Group's amendment was seconded by Councillor Mackie, who, whilst paying tribute to teachers for their efforts in very challenging circumstances, indicated that there were some children who had been 'left behind' as a result of home-learning. She made reference to a recent report published by the Poverty Alliance which showed that the attainment gap was increasing and that COVID-19 had had a particularly negative impact on children from deprived areas. She also made reference to the Children and Young People's Plan approved by the Council on 23 February, noting that the Head of Children's Services had reported on the impact of the pandemic on children. Taking account of this, Councillor Mackie emphasised the need for the Council to protect funding for education and children's services, and urged Members to support the Conservative Group's proposals.

c) Amendment Submitted by the SNP Group

Councillor Currie presented the SNP Group's amendment to the budget proposals. He paid tribute to Alex McCrorie, Depute Chief Executive, for his service to East Lothian, thanked officers for their assistance with the budget-setting process, and thanked the other Group Leaders for their discussions. He spoke of the challenges faced by the Council during the COVID-19 pandemic, highlighting in particular the impact on health and social care services, and the response by the Council and communities to help and support the vulnerable. As regards the SNP Group's budget proposals, he focused on:

- support for jobs and business, including a £600k fund to help businesses recover from COVID-19
- support for education, including the removal of charges for instrumental music tuition and additional funding for additional support for learning
- additional funding for children's services
- maintaining the level of investment for adult social care services

He advised that the additional funding provided by the Scottish Government would allow for investment in these areas, and believed that these proposals would make a difference to the lives of people in East Lothian. He called on Members to support the SNP amendment.

The SNP Group's amendment was seconded by Councillor McLennan, who thanked the Provost and Councillor Findlay for their effective collaborative working on the Connected Economies Group. He outlined the challenges faced by businesses during the pandemic, and the impact that this had had on families and communities. He highlighted the importance of supporting local businesses, tourist attractions and jobs, noting that the SNP Group's proposals would provide investment in these areas to assist with the recovery. He urged Members to support the SNP Group's amendment.

The Provost then moved to the debate.

Councillor Dugdale opened the debate, thanking officers and colleagues for their work during the budget-setting process. She echoed the comments of other Members in highlighting the challenges experienced by the Council and communities over the past year and of the work undertaken by staff to respond to the pandemic and continue delivering services. She highlighted in particular the work done by school staff to ensure the safe return to school for pupils and in establishing remote learning. She also drew attention to the efforts made to support staff with additional needs during this period. Councillor Dugdale announced the following investment in education and children's services, as proposed by the Administration:

- An additional £1.5m for additional support for learning
- £900k to support the expansion of the primary school estate
- £1.7m to support the expansion of the secondary school estate

She declared that the Administration's proposals would support services across the Council, invest in key services and the growing population, and provide support to recover from the pandemic.

Councillor O'Donnell thanked Council staff and also those in the health and independent sectors for their work and commitment during the pandemic. She also paid tribute to the resilience groups and local organisations who had assisted vulnerable people. She welcomed the £600k investment in the Administration's proposals to support businesses, the increased investment in additional support for learning, and the protection of the community intervention fund. She also noted the improvements at coastal car parks, funded through parking charges, and investment in children's play parks.

Councillor Hoy made reference to the difficult choices to be made in order to deliver efficiency savings. He noted that the Scottish Government had received £9.7bn of additional funding from the UK Government to support the response to COVID-19, but claimed that only £7bn had been allocated to date. He stressed the need for businesses to be supported during this period, commenting that although the UK Government's furlough and business support schemes had protected 18,000 jobs, more needed to be done; he believed that it was for the Scottish Government to provide this additional support, rather than the Council. He also stressed the need for the Council to prioritise investment in education and children's services. Councillor Hoy remarked that the SNP Group's proposals did not detail how savings would be delivered in future years.

Reflecting on what had been a very difficult year for many families in East Lothian, Councillor Innes thanked staff for their efforts to deliver services and protect communities, as well as Area Partnerships and resilience groups for their contributions. Councillor Innes also commended the cross-party approach to decision-making during the first period of lockdown, adding that it would have been desirable to have budget proposals agreed by all political groups, particularly as more than 99% of the proposals had the support of all three groups. He noted that the Administration would continue working in accordance with the Council's Financial Strategy, which had the approval of Audit Scotland and other partners, and which would protect services and allow local communities to identify their own priorities. He called on all Members to support the Administration's proposals.

Councillor Akhtar noted that 125 people had died of COVID-19 in East Lothian, and that her thoughts were with those families affected. She highlighted the work carried out by health and social care services during the pandemic, particularly within care homes, and also the support made available to those who were shielding. She also paid tribute to those providing registration, transportation, mental health, physiotherapy and district nursing services, as well as the Council's partners, local businesses and community groups. She pointed out, however, that she was disappointed in the level of funding allocated to the Council, arguing that all consequential funding should be passed on to local authorities.

Councillor McGinn echoed the comments made by others as regards the efforts of Council officers over the past year and how the Council had worked in the best interests of residents, despite the challenges posed by austerity, COVID-19 and Brexit. He also paid tribute to community voluntary groups, Community Councils and other local organisations for their contributions during the pandemic. On the budget proposals, he believed that the Labour Group's amendment would demonstrate sound financial management whilst investing in education and children's services and protecting families.

Councillor Goodfellow thanked the Council's IT service for their efforts to support home-learning for children and home-working for staff. He commented that the Administration's proposals were prudent and would protect services in future years. He welcomed the continuation of the One-Council Partnership funding, as well as investment in schools and nurseries, and improvements to car parks and play parks

On economic development, the Provost welcomed the cross-party working over the past year, and the support for the Council's Economic Development Strategy, which had received positive feedback at the Policy & Performance Review Committee and Audit & Governance Committee, as well as from the Chamber of Commerce and Federation of Small Businesses. He believed that this partnership working had been effective and successful, and called on Members to support these efforts, and the Administration's proposals.

There followed a short adjournment.

On resuming, the Provost invited Councillor Currie to sum up for the SNP Group. Councillor Currie highlighted the importance of the budget process, and welcomed the contributions made by a number of Members as regards investment in public services. He noted that there was agreement between groups on many aspects of the proposals, such as investment in children's services and additional support for learning, and stressed the need to have a budget that everyone could support.

Summing up for the Conservative Group, Councillor Bruce thanked officers for their help and support during the process.

Councillor Hampshire summed up for the Administration, thanking all those who had made contributions to a positive debate. He agreed that there was not a great deal of difference in the three proposals. He assured Members that any additional funding to support education recovery would be used for that purpose. He also expressed surprise that the Conservative Group had chosen not to support funding for business recovery. As regards future budget processes, he called on all three political groups to work together, given the financial challenges facing the Council. Councillor Hampshire thanked Councillor Currie for his support on a number of issues, but noted that the Administration could not support the removal of charges for instrumental music tuition. He asked Members to demonstrate unity and support the Administration's proposals.

The Provost then asked the Council to move to the vote on the amendments to the budget proposals. The votes were taken by roll call.

SNP Group's amendment:

For (6): Councillors Currie, Gilbert, McLennan, McLeod, Trotter and Williamson
Against (16): Councillors Akhtar, Bruce, Dugdale, Findlay, Forrest, Goodfellow, Innes, Hampshire, Henderson, Hoy, Kempson, Mackett, Mackie, McGinn, McMillan and O'Donnell

Abstentions (0)

The SNP Group's amendment therefore fell.

Conservative Group's amendment:

For (7): Councillors Bruce, Findlay, Henderson, Hoy, Kempson, Mackett and Mackie
Against (15): Councillors Akhtar, Currie, Dugdale, Forrest, Gilbert, Goodfellow, Innes, Hampshire, McGinn, McLennan, McLeod, McMillan, O'Donnell, Trotter and Williamson

Abstentions (0)

The Conservative Group's amendment therefore fell.

Administration's amendment:

For (15): Councillors Akhtar, Currie, Dugdale, Forrest, Gilbert, Goodfellow, Innes, Hampshire, McGinn, McLennan, McLeod, McMillan, O'Donnell, Trotter and Williamson
Against (7): Councillors Bruce, Findlay, Henderson, Hoy, Kempson, Mackett and Mackie

Abstentions (0)

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

Decision

The Council agreed to approve the amendment to the budget proposals as presented by the Administration and to freeze Council Tax levels for 2021/22 (Band D level of £1,302.62).

3. TREASURY MANAGEMENT STRATEGY 2020/21 – 2024/25

A report was submitted by the Executive Director for Council Resources seeking approval of the Treasury Management and Investment Strategies for 2021/22 to 2025/6.

The Head of Finance, Sarah Fortune, presented the report. She explained that the purpose of the treasury management function was to ensure that the Council had sufficient funds to meet its spending obligations, and that it was a requirement of CIPFA that the Council should approve a Treasury Management Strategy in advance of each financial year. She drew attention to the key aspects of the report, including actual and planned capital expenditure, the positions with the General Services and Housing Revenue Account, and authorised limits and operational boundaries for external debt levels. Ms Fortune also drew attention to the Investment Strategy. She advised that a mid-year report on treasury management activity would be lodged in the Members' Library and that a year-end report would be presented to the Audit & Governance Committee.

In response to a question from Councillor McLeod as regards the capital financing requirement (CFR) (set out at Section 3.17 of the report), Ms Fortune explained that, in accordance with the Code of Practice, certain figures had not been included; however, she undertook to provide Members with further information.

Decision

The Council agreed:

- i. to approve the Treasury Management Strategy, referenced within Sections 3.5 to 3.18 of the report;
- ii. to approve the Investment Strategy, referenced within Sections 3.19 to 3.21 of the report;
- iii. to approve the repayment of loans fund advances using the methodology detailed in Section 3.6 of the report;
- iv. to approve the operational boundaries for external debt, as detailed in Section 3.14 of the report;
- v. to approve the authorised limits for external debt, as detailed in Section 3.15 of the report;
- vi. to approve the delegation of authority to the Chief Finance Officer to effect movement between external borrowing and other long-term liabilities, as detailed in Section 3.18 of the report;
- vii. to note the detailed Treasury Management Strategy Statement, available in the Members' Library (Ref: 29/21, February 2021 Bulletin).

Signed

Provost John McMillan
Convener of the Council

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