



MINUTES OF THE MEETING OF EAST LoTHIAN COUNCIL

TUESDAY 27 APRIL 2021
VIA DIGITAL MEETING FACILITY

1

Committee Members Present:

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

Council Officials Present:

Ms M Patterson, Chief Executive
Ms A MacDonald, Director of Health and Social Care
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
Ms W McGuire, Head of Housing
Mr T Reid, Head of Infrastructure
Ms S Saunders, Head of Communities
Ms M Sullivan, Head of Development
Ms J Tait, Head of Children's Services
Mr S Cooper, Team Manager – Communications
Ms L Crothers, Service Manager – Protective Services
Ms R Crichton, Committees Officer
Mr J Cunningham, Interim Service Manager – Economic Development
Ms R Crichton, Committees Officer
Ms F Currie, Committees Officer
Mr C Grilli, Service Manager – Legal and Procurement
Ms K MacNeill, Service Manager – People and Governance
Ms C Molloy, Project Manager – Development Services
Mr P Vestri, Service Manager – Corporate Policy and Improvement

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:

Councillor G Mackett

Councillor C McGinn

Declarations of Interest:

Councillor K Mackie declared an interest in Item 11, on the grounds that she is a member of Eskmuthe Rowing Club.

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 Provost also reminded Members of the need to act in accordance with the Council's pre-election guidance and the Code of Recommended Practice on Local Authority Publicity, given that this meeting was taking place within the pre-election period for the 2021 Scottish Parliamentary Election.

The clerk recorded attendance by roll call.

Order of Business

The Provost advised that Item 6 had been withdrawn and that a revised report would be presented to the Council at its meeting on 22 June.

1. MINUTES FOR APPROVAL

The minutes of the following meetings were approved, subject to the specified amendment:

East Lothian Council, 23 February 2021

Special East Lothian Council, 2 March 2021

Amendment – Item 1 (p. 19, para. 5, l. 7) – change 'support staff with additional needs' to 'support children with additional needs'.

2. MINUTES FOR NOTING

The minutes of the following meetings were noted:

Local Review Body (Planning), 19 November 2020

Local Review Body (Planning), 21 January 2021

3. COVID-19 AND CONCURRENT RISKS – UPDATE ON THE MANAGEMENT OF COUNCIL RESPONSE AND RECOVERY

A report was submitted by the Chief Executive providing an update on how the Council had managed the ongoing response to supporting the national public health crisis caused by the COVID-19 pandemic and concurrent risks relating to Brexit, winter emergency/adverse weather and coastal/countryside implications of easing of lockdown, and action taken in support of East Lothian's recovery and renewal.

The Chief Executive introduced the report, reminding Members that the Council remained in COVID-19 response mode, with business continuity plans invoked. She explained that the situation remained dynamic, and every part of the Council had been affected.

Sharon Saunders, Head of Communities, presented the report, drawing attention to the key aspects, including: the data on COVID-19 incidence rates; support for people shielding and self-isolating; support for local businesses (as set out in Sections 3.8 and Appendix 4 of the report); the mass vaccination programme (highlighted at Sections 3.9 and 3.10 of the report); support for schools (outlined at Section 3.11 of the report); work undertaken as regards digital inclusion; challenges within social care services (set out at Section 3.14 of the report); and the work required in response to the relaxation of restrictions. Ms Saunders also highlighted a number of concurrent risks faced by the Council during this period, including adverse weather and Brexit. In addition, she advised that a Lessons Learned Log had been maintained since business continuity plans were invoked, and proposed that an interim structured debrief for Members be organised for June 2021. Ms Saunders commended the work of staff across the Council and its partner agencies as regards the response to the pandemic and the continuation of service delivery.

In response to questions from Councillor Bruce on the return to normal service delivery, the vaccination programme and education, Ms Saunders explained that business continuity mode would apply while the Council was still operating within the protection levels and Scottish Government strategic framework. She noted that work was underway as regards the future use of assets and new ways of working and delivering services. On the vaccination programme, Alison MacDonald, Director of Health and Social Care, advised that issues regarding missed vaccination appointments had been resolved, and the system was now working well. On education, Lesley Brown, Executive Director for Education and Children's Services, reported that the SQA had cancelled all formal exams and had asked local authorities to put alternative models in place. The focus for all schools was now on ensuring that pupils had completed courses and that the required assessment evidence was in place. She added that Education Scotland was in the process of reviewing each local authority's processes, and that the East Lothian approach had been viewed positively. Ms Brown also advised that schools were timetabling assessments to ensure that these were manageable for pupils, and that pupils with additional support needs were receiving additional support.

Councillor O'Donnell asked if additional funding had been made available to support people who had lost their jobs or required to be retrained. Paolo Vestri, Service Manager – Corporate Policy and Improvement, provided data on benefit claims over the period of the pandemic. Douglas Proudfoot, Executive Director for Place, highlighted the support provided by way of business support grants, the focus on resilience and recovery, and partnership working with the Federation of Small Businesses and the Chamber of Commerce.

Councillor Currie asked questions about financial planning and additional funding for education. Sarah Fortune, Head of Finance, commented that the year-end arrangements were very complex, and that there would be a report on this presented to Council in June. She would engage with Members in order that they had an understanding of the short- and longer-term financial implications for the Council. On the additional funding for education, Ms Brown

advised that this had been used to employ additional staff, purchase devices and provide support for families in hardship. She indicated that additional teaching and family support staff would be based in each cluster to support the most disadvantaged families.

Responding to a question from Councillor Hampshire regarding the reopening of community facilities to provide activities for young people, Ms Saunders provided a summary of how community facilities had been used during the pandemic, noting their ongoing prioritised use for essential Education and Social Work meetings that cannot take place within schools and office workspaces due to COVID-19 Guidance. She reported that, with the relaxation of restrictions, some small-group face-to-face indoor activities and sport would resume.

Councillor Hoy asked for additional detail on the proportion of children who had fallen behind in their learning during the pandemic. Ms Brown advised that teachers were in the process of assessing the progress of pupils in order to ascertain what additional support was required. She noted that additional staff had been placed in both primary and secondary schools to assist with closing any gaps, and that that Pupil Equity Funding would be used to support the recovery. She advised that it was too early to say how many children required additional support.

Councillor Akhtar asked about the impact of the pandemic on the delivery of adult social care services. Ms MacDonald advised that new approaches to service delivery had been adopted, and that additional staff had been recruited to meet these challenges. She warned of the likelihood of additional demand on mental health services as a result of COVID-19, and that resources had been directed to support this service.

Councillor Dugdale asked for information on cases of domestic abuse over the past year. Judith Tait, Head of Children's Services and Chief Social Work Officer, reported that the impact of this was not yet clear, but that monitoring of this would continue on a weekly basis.

Councillor Forrest asked about the availability of information relating to various benefits and support. Ms Saunders informed him that this information was available via the Council's website and on leaflets which had been dispersed as widely as possible, including through the Citizens Advice Bureau and other third sector partners. Jim Lamond, Executive Director of Council Resources, emphasised the need to ensure that such information was kept up to date as the Council moves to recovery mode, noting that the Council's Benefits Team also had a key role to play in this regard.

Responding to a number of questions from Councillor McLennan as regards reviewing the Council's response to the pandemic and the involvement of third sector partners, Ms Saunders assured him that the Council's partners had been actively involved throughout this period, and that they were also fully involved in a number of the sub-groups formed to take forward the Council's response and recovery – she referred him to Appendices 1 and 2 to the report, which provided further information on these groups.

The Provost asked how multi-agency working would be developed in future, with particular reference to the CEG. Mr Proudfoot highlighted the effective partnership working achieved by the CEG during the pandemic, and hoped that this experience would provide opportunities to look at future service delivery. He also pointed out other economic development opportunities, including the future of the Cockenzie site and the ClimatEvolution Zone, and noted that the Economic Development and Tourism Strategies would require to be refreshed, which would impact on the focus of the CEG.

The Provost referred to an amendment submitted by Councillors Findlay and Bruce, which had been circulated to Members in advance of the meeting. He invited Councillor Findlay to

present his amendment, which related to Recommendation 2.1 (viii) and which proposed the following (revised wording in bold type):

[Council is asked to:]

- viii. approve the proposals set out in Appendix 4 and summarised in Paragraph 3.8 within the report, **except for the 'Visitor Beach Management project'. To satisfy concerns in a number of areas surrounding the ownership of the project's collateral, long-term viability and economic benefits, officers will provide additional details on the project to the Connected Economies Group (CEG) before the CEG makes a decision on whether to proceed with the grant or not. Council additionally notes that** officers will continue to report progress thereon through the CEG and that the CEG will oversee flexibility of resource deployment in the context of the deliverability of the identified interventions.

Councillor Findlay stated that his amendment was not a criticism of officers; rather, he wanted to ensure that funds were spent wisely. Drawing attention to the proposed funding to support business recovery, detailed in Appendix 4 to the report, he asserted that the Visitor Beach Management project was not a good use of funds. He noted that the CEG had been aware of the project for some time and had been happy to support it on a cost-neutral basis; however, funding of £29k was now being sought. Councillor Findlay commented that the benefits of this investment were unclear, it was not known how much of the required equipment would be owned by the Council, information on the procurement process had not been provided, it was not clear who would own the app developed for the project, and it was also not known if further funding would be required at a later date. In addition, he questioned how many visitors would actually use the app, and whether businesses would be charged a fee to advertise through the app. He was also sceptical about the long-term benefits of the project and if it would manage the flow of visitor effectively. He expressed concern about the impact of large numbers of visitors to the coastal areas of East Lothian, and did not think the app would stop people visiting those areas. He also questioned whether this project met the criteria for the business recovery and investment fund. He called on Members to support the amendment, which would allow the CEG to make a determination on the matter based on further information provided by officers on the project's viability and value for money.

Councillor Bruce seconded the amendment, noting that further detail should be provided before the project was presented to the CEG for approval.

The Provost then moved to the debate.

Councillor Hampshire opened the debate by noting that every service in the Council had been involved in the COVID-19 response, and that the response was ongoing. He made reference to the difficulties facing the Council as regards the relaxation of restrictions, and also the financial impact on the Council. He stressed the need for the Council to be prepared in the event there was another wave of the pandemic. He praised officers for the excellent response to the situation, and also highlighted the £600k investment to support local businesses in their recovery. As regards the amendment, he believed the proposed Visitor Beach Management project would help prevent coastal areas becoming overcrowded, and that the proposed technology would bring benefits. He noted, therefore, that he would not support the amendment.

Councillor Currie paid tribute to Council staff, community groups and volunteers who had contributed to the COVID-19 response. He also thanked senior officers within the Council for their assistance to Members, and made special mention of the staff who provide administrative support to Members. He recognised that the pandemic would have ongoing financial

implications for the Council, but also welcomed the opportunities as regards different ways of working. As regards the Visitor Beach Management project, he took the view that this would be part of a range of measures to improve the visitor experience, and that the SNP Group would not be supporting the amendment.

With reference to the procurement process for the Visitor Beach Management project, Councillor O'Donnell asked if further information on this could be provided. Carlo Grilli, Service Manager – Legal, advised that the Council would always seek to achieve Best Value and ensure that proper processes were followed. He offered to discuss this further with Councillor O'Donnell outwith the meeting. Mr Proudfoot advised that this particular piece of work would be delivered in partnership with the University of Edinburgh as part of the City Region Deal, and that the app would help support businesses in the context of making people aware of East Lothian's town centres and other attractions. He reassured Members that the CEG would have some oversight as to how resources were deployed.

Councillor McLennan thanked Councillors McMillan and Findlay for their collaboration on the CEG, as well as those officers involved. Whilst he appreciated the concerns raised by Councillor Findlay, he felt that the Visitor Beach Management project was an important aspect of managing the East Lothian coastline.

Councillor Innes highlighted the extent of the work undertaken to ensure the safety of East Lothian residents and to support local businesses and community groups. He also paid tribute to the staff for their efforts during the pandemic, noting in particular the work done by staff within the Facilities Management service.

Councillor Akhtar made reference to the success of the mass vaccination programme in East Lothian, noting that the delivery of the second vaccine dose had now been completed in care homes. She called on Members to work together to meet the challenges facing the Council.

Councillor Dugdale spoke of the work undertaken to move to home learning for school pupils during the lockdown period, which had been commended by Education Scotland. She also praised school staff for their work to support children and families during this period, and she thanked them for their ongoing efforts.

Councillor Findlay thanked staff in Economic Development for their work in supporting local businesses and disbursing grant funding. In particular, he thanked John Cunningham, new to his Economic Development role, for his advice and dedication.

These sentiments were shared by the Provost, who commented that the Council should be proud of its response, but should also reflect on the lessons learned. As regards the amendment, he believed that the issues raised by Councillor Findlay could be addressed without the need for the amendment.

The Provost moved to the vote, taken by roll call, on the amendment as proposed by Councillor Findlay and seconded by Councillor Bruce:

For (6):	Councillors Bruce, Findlay, Henderson, Hoy, Kempson and Mackie
Against (14):	Councillors Akhtar, Currie, Dugdale, Forrest, Gilbert, Goodfellow, Innes, Hampshire, McLennan, McLeod, McMillan, O'Donnell, Trotter and Williamson

The amendment therefore fell.

The Provost then moved to the vote on the recommendations as set out in the report, taken by roll call, which were agreed unanimously.

Decision

The Council agreed:

- i. to note the content of the report and acknowledge the unprecedented impact the COVID-19 outbreak continued to have on the East Lothian community, partners and delivery of Council services;
- ii. to note the ongoing COVID-19 response in respect of service delivery and interventions necessary to continue to contain the spread of the virus, particularly the ongoing deployment of Business Continuity Plans in support of National Guidance and appropriate public health measures;
- iii. note the progress in deployment of the East Lothian COVID-19 vaccination programme;
- iv. note the development of COVID-19 Community Testing symptomatic and asymptomatic testing provision in support of the Scottish Government's Community Testing Strategy;
- v. note the Council's achievement in distribution of extensive Scottish Government funding arrangements deployed with the East Lothian business sector;
- vi. note the complex COVID-19 funding arrangements and consequences for the 2020/21 year-end, and onward implications impacting on 2021/22 and future years;
- vii. note the ongoing relentless focus on engagement with the public through external communications encouraging compliance with Protection Level requirements, uptake of vaccinations and access to community testing provision, to constrain the spread of the virus within East Lothian;
- viii. approve the proposals set out in Appendix 4 and summarised in Section 3.8 of the report, noting that officers would continue to report progress thereon through the Connected Economies Group (CEG) and that the CEG would oversee flexibility of resource deployment in the context of the deliverability of the identified interventions;
- ix. note that work was continuing in accordance with the Council's Recovery and Renewal Framework and that the Council remained well placed to support communities in terms of both ongoing response interventions and the journey towards recovery;
- x. note that the Council Management Team would conduct a second COVID-19 Interim Lessons Learned Debrief in May 2021, and agree to conducting a COVID-19 Interim Lessons Learned Debrief for all Elected Members in June 2021; and
- xi. note that further COVID-19 Response and Recovery reports would be brought forward when appropriate, with particular reference to the implementation of the COVID-19 Scotland's Strategic Framework Updates and incremental 'relaxation of lockdown'.

4. COMMON GOOD FUNDS – BUDGET DEVELOPMENT 2021-24

A report was submitted by the Executive Director for Council Resources considering the financial implications and ongoing risks relating to COVID-19 on the Common Good Funds,

and seeking approval of the budgets for Dunbar, Haddington, Musselburgh and North Berwick Common Good Funds for 2021/22 and indicative budgets for 2022-24.

The Head of Finance, Sarah Fortune, presented the report, advising that the draft budgets had been updated to take account of the 2019/20 year-end balances, changes in accounting procedures, and updated assumptions. She drew Members' attention to the risks and assumptions, particularly as regards the level of investment, as set out in Sections 3.10-13 of the report. She also pointed out that a change in accounting practices meant that depreciation charges now had to be reflected in the balances, and that the budgets would remain as draft pending the finalisation of the draft accounts.

Councillor Williamson made reference to a recent email by Carlo Grilli (Service Manager – Legal) on the current position with the review of Common Good. He welcomed the confirmation that further work on the review would be carried out following the Scottish Parliament Election, as he had concerns as regards the maintenance of a number of Common Good properties in Musselburgh.

Mr Grilli reminded Members that a comprehensive review of Common Good assets had been carried out prior to the pandemic, which had identified Common Good heritable property, land and buildings. He advised that he would publish a report on this following the election and that the formal consultation would take place as soon as possible.

In response to questions from Councillor Trotter in relation to the Haddington Common Good Fund, and in particular the situation with Haddington Town House, Ms Fortune advised that the refurbishment works to the Town House were scheduled to take place during the current financial year, and that Common Good funding would be ring-fenced for this work. Tom Reid, Head of Infrastructure, reported that the work to Haddington Corn Exchange had now been completed and that, subject to planning consent and grant approval, the work on the Town House would commence in July and would take 6-7 months to complete. Responding to a further question on the disposal of land and the associated proceeds, Mr Grilli advised that the proceeds from selling a piece of Common Good land would go back into the relevant Common Good Fund.

Councillor Innes commented that proceeds from the sale of non-Common Good land should not go into a Common Good Fund, as the proceeds from any such sales should be used for the benefit of East Lothian as a whole. Ms Fortune clarified that if that land was part of General Services or the Housing Revenue Account, then the proceeds would go back into the relevant fund, and if the land was part of the Common Good, then the proceeds would be returned to the relevant Common Good Fund.

Councillor Forrest asked if the Council was in a position to carry out the required maintenance works to Common Good buildings in Musselburgh. Mr Reid advised that the technical work had been undertaken, and that decisions would need to be taken as to the prioritisation of projects.

Councillor Currie welcomed the report and information provided by officers. He suggested that there was a need to establish long-term plans for the maintenance of Common Good assets.

The Provost then moved to the vote on the recommendations, taken by roll call, which were agreed unanimously.

Decision

The Council agreed:

- i. to note the financial implications and risks relating to COVID-19 on the Common Good Funds; and
- ii. to approve the 2021-24 budget for Dunbar, Haddington, Musselburgh and North Berwick Common Good Fund, as set out in Appendices 2a-d.

5. EDINBURGH AND SOUTH EAST SCOTLAND CITY REGION DEAL – FOOD AND DRINK INNOVATION HUB: FINAL BUSINESS CASE

A report was submitted by the Executive Director for Place informing Council of the content of the Food and Drink Innovation Hub Full Business Case (FBC) in the context of the Edinburgh and South East Scotland City Region Deal.

The Project Manager – Development Services, Catherine Molloy, presented the report, reminding Members that the Outline Business Case (OBC) had been approved by Members in June 2018, with funding of £30m being allocated through the City Region Deal, and £10m being contributed by the Council. She noted that the £5m previously committed by Queen Margaret University was no longer available, and that ways of reducing the costs of the project were being considered. She advised that the FBC had been developed in accordance with 'Green Book' standards, and had been submitted to both the UK and Scottish Governments in December 2020, with a further iteration being submitted in March 2021. She pointed out that formal approval for the Food and Drink Innovation Hub had not yet been received, but that positive feedback had been received from both governments and no material changes to the FBC were anticipated. The FBC would be considered by the City Region Deal Joint Committee on 4 June.

In response to questions from Councillor Hampshire, Ms Molloy confirmed that the Council had not received any formal feedback on the FBC; however, she assured Members that both the UK and Scottish Governments would not be raising any 'red flag' issues that would require material changes to the FBC. She also advised that the QMU Court would be discussing the matter today (27 April), and that there was nothing to suggest that they would be raising any concerns.

Councillor McLeod sought clarification on a point contained within Section 4.2.4 of the FBC (Funding Plan), which indicated that that the Council would make a £6m capital contribution and had sufficient reserves to make such a contribution. Ms Molloy confirmed that the wording should reflect 'sufficient capital' rather than 'sufficient reserves'.

On project risks, Ms Molloy assured Members that the risk register would be reviewed to ensure that appropriate mitigation measures would be in place, and that this aspect would be brought before Members for consideration. Mr Proudfoot added that the risk register would be further developed as regards the commercial and delivery arrangements.

Councillor McMillan asked if the management and governance arrangements (set out in Section 5.2 of the FBC) were like to change in future. Mr Proudfoot suggested that the detail around the key principles may evolve, but would still be within the principles set out in the FBC.

Councillor Hampshire welcomed the report and the work carried out by officers to get to this stage. He highlighted the importance of the Food and Drink Innovation Hub as regards research, security and sustainability of future food supplies, farming, and consumer behaviour. He believed the establishment of this facility would benefit East Lothian and Scotland, and would also lead to the creation of many jobs.

Councillor Currie welcomed the opportunities this facility would bring to East Lothian, and emphasised the importance of effective partnership working between the Council and QMU. He looked forward to Members having the opportunity to scrutinise the project. He also commented that the establishment of the Food and Drink Hub would assist with the COVID-19 recovery in East Lothian.

Councillor Forrest also spoke of the benefits this facility would have to East Lothian, in terms of investment, education and progressive thinking.

The Provost concluded the debate by echoing the comments of other Members, and adding that this facility would build on East Lothian's agricultural legacy.

The Provost then moved to the vote on the recommendations, taken by roll call, which were approved unanimously.

Decision

The Council agreed:

- i. to approve the terms of the Full Business Case, as set out in Appendix 1 to the report; and
- ii. to delegate to the Head of Development, in consultation with the Cabinet Spokesperson for Economic Development and Tourism, the authority to make any non-material amendments to the Full Business Case that may be required by either the UK or Scottish Governments prior to 4 June 2021.

6. NATIONAL PLANNING FRAMEWORK 4: SCOTTISH GOVERNMENT CONSULTATION ON HOUSING LAND REQUIREMENTS

The Convener advised that this report had been withdrawn.

7. APPOINTMENT OF CHIEF OFFICERS AND STATUTORY OFFICERS

A report was submitted by the Executive Director for Council Resources advising the Council of the decisions of the Chief Officer and Head Teacher Appointments Sub-Committee to appoint Chief Officers, resulting from the review of the Council's Chief Officer structure approved by Council on 27 October 2020, and seeking approval of statutory officer appointments.

Kirstie MacNeill, Service Manager – People and Governance, presented the report, drawing Members' attention to the recruitment process, as set out in Section 3.1 of the report, and to the appointment of Chief Officers, as set out at Section 3.2 of the report. She advised that the Council was required to approve the appointment of three statutory officers, outlined in Section 3.3 of the report.

Councillor Henderson questioned the appointment of the Monitoring Officer when that person was not yet in post. Mrs MacNeill advised that approving the appointment to that post now (effective from 1 July 2021) would avoid the need to bring a further report to Council, and that she (Mrs MacNeill) would continue to act as Monitoring Officer until the new Head of Corporate Support was in post.

Councillor Hampshire welcomed the appointment of the new Chief Officers, believing that those appointed would be in a position to meet the challenges facing the Council.

The Provost then moved to the vote on the recommendations, taken by roll call, which were approved unanimously.

Decision

The Council agreed:

- i. to note the decisions of the Chief Officer and Head Teacher Appointments Sub-Committee to make the appointments set out within Section 3.2 of the report; and
- ii. to approve the following statutory officer appointments:
 - Chief Social Work Officer – Judith Tait, Head of Children’s Services
 - Section 95 Officer (Chief Finance Officer) – Sarah Fortune, Head of Finance
 - Monitoring Officer – Morag Ferguson, Head of Corporate Support (with effect from 1 July 2021)

8. SCHEDULE OF MEETINGS 2021/22

A report was submitted by the Executive Director for Council Resources seeking approval of the Schedule of Meetings of the Council, committees and other forums for 2021/22.

The Clerk advised that, as 2022 was a local government election year, the Council would move into recess at the end of March 2022, with the first meeting of the new Council scheduled for 24 May 2022. A schedule for the remainder of May and June 2022 would be brought to Council for approval at a later date.

Councillor Currie raised the matter of resuming face-to-face Council meetings. The Clerk advised that options were currently being explored, and that any plans to resume physical meetings would need to take account of scheduled works to Haddington Town House.

The Provost then moved to the vote on the recommendations, taken by roll call, which were approved unanimously.

Decision

The Council agreed:

- i. to approve the Schedule of Meetings for 2021/22;
- ii. to note that the date of the budget-setting meeting would be set at a later date; and
- iii. to note that the schedule would be subject to change, and that any changes would be communicated to Members and officers as soon as practicable.

9. SUBMISSIONS TO THE MEMBERS' LIBRARY SERVICE, 3 DECEMBER 2020 TO 9 APRIL 2021

A report was submitted by the Executive Director for Council Resources noting the reports submitted to the Members' Library since the meeting of the Council in December 2020, as listed in Appendix 1 to the report.

Councillor Currie commented on the extent of the work undertaken under delegated powers during the course of the COVID-19 pandemic. He paid tribute to Council staff for continuing to deliver services during this period.

Councillor Goodfellow made reference to the 2020/21 rent consultation exercise, noting that 89% of tenants had indicated they were satisfied with how the Council consults with them on rent levels.

Decision

The Council agreed to note the reports submitted to the Members' Library Service between 3 December 2020 and 9 April 2021, as listed in Appendix 1 to the report.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

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

Edinburgh and South East Scotland City Region Deal – Food and Drink Innovation Hub: Commercial Heads of Terms

A private report by the Executive Director for Place regarding Commercial Heads of Terms in relation to the Food and Drink Innovation Hub was approved.

Application for Funding to Musselburgh Common Good Committee

An application for funding of £95,000 submitted to the Musselburgh Common Good Committee by Eskmuthe Rowing Club was approved, subject to conditions.

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**MINUTES OF THE MEETING OF THE
LOCAL REVIEW BODY**

**THURSDAY 10 MARCH 2021
VIA THE DIGITAL MEETINGS SYSTEM**

2

Committee Members Present:

Councillor N Hampshire (Chair)
Councillor J Findlay
Councillor N Gilbert

Advisers to the Local Review Body:

Mr C Grilli, Legal Adviser to the LRB
Ms J Squires, Planning Adviser to the LRB

Other Officers present:

Mr N Millar, Planner (observing)

Clerk:

Ms F Currie, Committees Officer

Apologies:

None

Declarations of Interest

None

Introductory Statement by the Legal Adviser

The Legal Adviser outlined the procedure for the meeting and the options available to the Local Review Body in reaching a decision on the planning applications before it.

The Legal Adviser then invited nominations to chair the meeting and Councillors Findlay and Gilbert proposed and seconded Councillor Hampshire. It was therefore agreed that Councillor Hampshire would chair the Local Review Body (LRB) on this occasion.

1. PLANNING APPLICATION NO. 20/00824/P: ERECTION OF HUT AND SHED (PART RETROSPECTIVE) BOLTON MUIR WOOD, GIFFORD, EAST LOTHIAN EH41 4JH

The Chair invited the Planning Adviser, who had had no involvement in the original decision, to present a summary of the planning policy considerations in this case.

The Planning Adviser outlined the background and detailed proposals contained in planning application no. 20/00824/P, a part retrospective planning application for a hut and shed at Bolton Muir Wood. The wood was designated as countryside within the LDP, and was a Local Biodiversity Site as well as being included in NatureScots Inventory of Ancient Woodland. She also reminded Members that this was an appeal against non-determination of the application.

The Planning Adviser summarised the content of the Planning Statement and Ecological Report submitted with the application. The Planning Statement described hutting policy and how the proposal accorded with this. The applicant had confirmed that the proposed hut would be used for leisure and recreational purposes only. The submitted Ecological Report contained a Phase 1 habitat survey and found no harm to protected species including the badger setts on site.

The applicant stated that Bolton Muir Wood was extremely accessible from the main road network, and the family lived 18 miles away and intended to cycle there wherever possible. The materials used were as sustainable as possible. In terms of services, water was not piped. The running of businesses (of any kind) was strictly prohibited within any hutting site. The applicant intended to ensure that all the habitats on their land were protected. They considered the proposal was in line with Scottish Planning Policy on hutting.

The Planning Adviser reminded Members that planning applications should be determined in accordance with the development plan for the area unless material considerations indicate otherwise. The Development Plan for this area was the South East Scotland Strategic Development Plan (known as SESPLAN) and the adopted East Lothian Local Development Plan (LDP) 2018. In his submission, the Council's appointed officer noted that there were no relevant SESPLAN policies. He also noted that the LDP was silent on hutting development specifically. However, Scottish Planning Policy was material to the application as it contained the definition of a 'hut'. The Planning Adviser outlined this definition to the Members. Also material was Reforesting Scotland's good practice guidance 'New Hutting Developments'. This guidance set out the low impact, ecologically sustainable and affordable ethos of hutting and how development should respect this.

It was noted that the appointed officer considered that neither the hut nor the shed would appear as a harmfully dominant, intrusive or incongruous feature within the landscape setting and not harmful to the landscape character and visual amenity of the area, and the buildings could be removed without trace.

The Planning Adviser summarised the consultation responses received. The Councils Policy and Projects Manager highlighted the wording of national planning policy on rural hutting development and noted that the principle of the development did not conflict with LDP policy DC1. He also suggested that a condition could be imposed securing use of the shed solely for recreational use and not as a house or holiday let and to restrict the length of stay.

The Council's Roads and Environmental Health Services were consulted and did not object to the proposal. Forestry Commission Scotland were also consulted and did not object. The Council's Biodiversity Officer noted that Bolton Muir Wood Local Biodiversity Site was designated due to habitat connectivity and ancient woodland indicator species. While she did not object to the proposal she did recommend conditions. Subject to these conditions the appointed officer considered the proposals did not conflict with LDP policies NH3 or NH5, which aimed to protect biodiversity.

The Landscape Officer advised that the proposal was designed to fit within and retain the existing woodland. Subject to conditions on transport of materials of construction within the plot and positioning of the chimney flue, she raised no objection.

The Planning Adviser then considered the assessment of the application provided by the appointed officer. The officer noted Bolton Muir Wood contained 18 individual woodlots, each with a hardcore area big enough for more than one car. Vehicular access to the woodlot was via an existing gated forestry track leading from the B6368, with an area of hardcore at the entrance to the woodlot. He considered the combined amount of cars that could be parked within each of the woodlots could harmfully impact on the character and appearance of the wood as well as being likely to result in conflict between car users and walkers and cyclists. He submitted that if permission was granted, a condition requiring submission and approval of car parking details showing no more than one space be imposed. The appointed officer considered that, subject to conditions listed in the schedule supplied, the proposals did not conflict with LDP policy.

The Planning Adviser concluded her presentation by outlining an objection submitted by Humble, East and West Saltoun and Bolton Community Council. The Community Council had stated that the proposal was not in keeping with the Council's ambition to protect East Lothian's biodiversity and countryside designations, would have adverse impact on ancient woodland, and the potential restriction of public access to Bolton Muir Woods, given the size of developments proposed and the likelihood that many other developments would follow on neighbouring plots. If permission was granted, they requested conditions preventing car parking in the forest for the safety of walkers and for the benefit of wildlife; no fences; no additional sheds or facilities; restrictions on connections to utilities; restrictions on the usage of huts in particular for overnight stays; and controls on removal of trees. They also noted that hut sites were usually managed by a community trust or club to manage disposal of waste, control vehicle movements, minimise the impact of development and to develop and implement a biodiversity management plan for the woodland as a whole.

The Chair thanked the Planning Adviser for her summary.

The Planning Adviser responded to questions from Members on the content and scope of conditions which could be applied to any planning permission. She advised that a condition which prevented the property being run as a business would apply to lettings. That restrictions on the type of vehicles used to transport materials within the woodland would be possible but that vehicles would likely be required to bring materials to the boundary of the woodland. In respect of a condition restricting vehicle access, the Planning Adviser reminded Members that any condition should be reasonable in the circumstance and, notwithstanding the applicant's legal right of access to their plot, she could see no reason why a condition could not be imposed on the basis of safety for other woodland users.

In response to a further question, the Planning Adviser confirmed that, in the case officer's opinion, the hut was to be used for the purposes of leisure and recreation and therefore the proposal was not contrary to policy DC1.

The Members discussed concerns about vehicle access and parking and the potential impacts resulting from further, similar planning applications for this woodland. They were reminded of the option for them to request additional information from the applicant. They were also advised that this application could only be considered on its own merits and any future applications would need to be determined on their own merits should such applications come forward.

The Chair asked his colleagues to confirm if they were satisfied that they had sufficient information before them to determine the application. They noted that they would have liked more details from the applicant on car parking arrangements at the site but notwithstanding this felt they had sufficient information to proceed.

The Chair then invited Members to give their opinions.

Councillor Gilbert noted that, as the proposed hut was for recreation purposes, it was not viewed as 'development in the countryside' and was not therefore considered contrary to policy DC1. For those reasons, he could not see any grounds for refusing the application subject to conditions including a limit of one car per plot. He said that, based on the information before him, he would be supporting the planning officer's recommendation.

Councillor Findlay stated that he had no objection to the hut but he was concerned about car parking and vehicular access. He suggested that the owners of the land should have addressed these issues before selling plots. He did not wish to see lots of cars or other vehicles moving around within the woodland while people were walking in the area. As the applicant had not addressed these issues, he said he could not support the officer's recommendation and was minded to refuse the application.

The Chair commented that the application was, in his opinion, detrimental to the countryside and the wildlife within it. Furthermore, the proposal was unacceptable and contrary to policy DC1. He added that while on the site visit he had noted that there was evidence of ancillary development alongside the hut which was also a concern. For these reasons, he was minded to refuse the application.

The Chair noted that Members had voted by a majority of 2:1 to refuse planning permission.

Decision

The ELLRB agreed by a majority to refuse planning permission for the following reason:

The proposed hut and associated shed, by virtue of its impact on biodiversity and on vehicle movements within Bolton Muir Wood, would be harmful to the countryside, contrary to Policy DC1 of the adopted East Lothian Local Development Plan 2018.

2. PLANNING APPLICATION NO. 20/00892/P: INSTALLATION OF SECURITY SHUTTER, LIGHTING AND CCTV CAMERAS (RETROSPECTIVE) 147 HIGH STREET, PRESTONPANS, EH32 9AX

The Chair invited the Planning Adviser, who had had no involvement in the original decision, to present a summary of the planning policy considerations in this case.

The Planning Adviser outlined the background and detailed proposals contained in planning application no. 20/00892/P which was for retrospective permission for the installation of security shutter, lighting and CCTV cameras at 147 High, Street Prestonpans, a Category C Listed Building. The application had been granted with a condition to the effect that permission be refused for the security shutter. A related Listed Building Consent application had been granted with a similar condition imposed and an appeal to the Scottish Government on that application was currently in progress.

The Members were reminded that they must review the application and consider whether it or not they agreed with the conditional grant of permission. What was not for review was consent for those parts of the application that were granted, namely the lighting and CCTV cameras. The Local Review Body had been provided with supporting documentation including the appellant's case setting out their grounds for appeal and some new supporting evidence. No public letters of objection to the proposal had been received.

The Planning Adviser summarised the planning legislation and policy material to the consideration of the application: in this case, the South East Scotland Strategic Development Plan (known as SESPLAN) and the adopted East Lothian Local Development Plan (LDP) 2018 policies DP5 and CH1. Section 59 of the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997 and the Cultural Heritage SPG were also relevant.

She outlined the reason for refusal of the shutter - that when closed, it was considered harmful to the architectural or historic features of the listed building, not in keeping with the other parts of the listed building and out of harmony with it. She also noted that the planning officer considered the shutter visually incongruous and inappropriate for the front elevation of the listed building and therefore contrary to policies DP5 and CH1 of the LDP, as well as guidance in the Cultural Heritage and the Built Environment SPG, Scottish Planning Policy and guidance from Historic Environment Scotland.

The Planning Adviser then summarised the applicant's grounds for appeal which referred to the guidance in the Cultural Heritage and the Built Environment SPG and which included a letter from Police Scotland detailing targeted vandalism and giving their opinion that roller shutters were needed. The Planning Adviser noted that the case officer did not have this information at the time of determination but that this information had been deemed admissible within the appeal. It was also noted that the appellant had further considered that no unnecessary damage had been caused to the historic features by the installation of the shutters, and that the proposals were in keeping with

other parts of the building and harmonised with the streetscape, so meeting the terms of guidance in the SPG. The applicant had also pointed out that many buildings at High Street, Prestonpans, had external solid steel security shutters.

The Chair thanked the Planning Adviser for her summary.

The Planning Adviser responded to questions from Members. She confirmed that there had been no objections from the public or the community council and that the property, although listed, lay out with the conservation area.

The Chair asked his colleagues to confirm if they had attended the site visit and if they were satisfied that they had sufficient information before them to determine the application. They confirmed this to be the case.

The Chair then invited Members to give their opinions.

Councillor Gilbert said he was aware that the owner of the property had suffered vandalism and had been advised by the police that installing a security shutter would be a good option. He also noted that owner had been in contact with the community council, who were supportive of the proposal, and that there had been no public objections. While he accepted that the commercial property was within a listed building, considering the damage sustained and the fact that there were similar shutters in use on properties nearby, he felt that the shutter should be allowed to remain. He could not support the planning officer's original recommendation.

Councillor Findlay concurred with Councillor Gilbert's remarks and that the roller shutter should be allowed to remain in place. He could not support the planning officer's original recommendation.

The Chair held similar views. While he acknowledged the need to protect listed buildings, he did not think that the shutter interfered with the historical part of main building which was above the shop. He also noted that there were other, similar shutters on commercial properties in the street and he concluded that, in this location, the shutter should be allowed to remain in place. He supported the appeal.

The Chair noted that Members had agreed unanimously to uphold the appeal.

Decision

The ELLRB agreed unanimously to uphold the appeal and to remove Condition 1 from the planning permission granted for 20/00892/P.

Signed

Councillor Norman Hampshire
Chair of Local Review Body (Planning)

REPORT TO: East Lothian Council

MEETING DATE: 22 June 2021

BY: Executive Director for Place/Scottish Fire and Rescue Service

SUBJECT: East Lothian Community Fire and Rescue Plan 2021

3

1 PURPOSE

- 1.1 To present Council with the East Lothian Community Fire and Rescue Plan 2021.

2 RECOMMENDATION

- 2.1 The Council approves the East Lothian Community Fire and Rescue Plan 2021.

3 BACKGROUND

- 3.1 There is a statutory requirement in the Police and Fire Reform (Scotland) Act 2012 for the Council to approve both the Local Police and Fire and Rescue Plans before they can be published.
- 3.2 The East Lothian Community Fire and Rescue Plan 2021 has been produced by the Scottish Fire and Rescue Service Local Senior Officer for East Lothian (Appendix 1). The Plan provides the basis for strategies to be followed by the Fire and Rescue Service in East Lothian. There has been consultation on the draft plan. The Police, Fire and Community Safety Scrutiny Committee considered and endorsed the draft of the Plan at its meeting on 13 May 2021.
- 3.3 The Plan provides the basis for scrutiny of the Fire and Rescue Service's performance by the Police, Fire and Community Safety Scrutiny Committee.

4 POLICY IMPLICATIONS

- 4.1 The East Lothian Community Fire and Rescue Plan 2021 will make a contribution to the achievement of key outcomes in the East Lothian Plan 2017-2027.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The Fire and Rescue Service has carried out an Impact Assessment on the East Lothian Community Fire and Rescue Plan.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - none
6.2 Personnel - none
6.3 Other - none

7 BACKGROUND PAPERS

- 7.1 Draft East Lothian Fire and Rescue Plan 2021

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DESIGNATION	Service Manager: Corporate Policy and Improvement
CONTACT INFO	pvestri@eastlothian.gov.uk 01620 827320
DATE	24 May 2021

2021



LOCAL FIRE AND RESCUE PLAN

East Lothian

Contents

Introduction	1
National Context	2
East Lothian Context	4
Scrutiny arrangements	9
East Lothian Priorities	
1. <i>As part of a Community Partnership approach, we will make people safer in their homes.</i>	10
2. <i>We will promote Community Resilience whilst contributing to improved outcomes for people involved in non-fire emergencies.</i>	11
3. <i>Together with our Community Partners, we will contribute to making East Lothian roads safer.</i>	12
4. <i>As part of a Community Partnership, we will challenge anti-social behaviour.</i>	12
5. <i>In partnership, we will aim to reduce the occurrence and impact of Unwanted Fire Alarm Signals.</i>	13
Review	15
Contact Us	16

Introduction

Welcome to the Scottish Fire and Rescue Service (SFRS) East Lothian Local Fire and Rescue Plan. This Plan has been developed to support the delivery of agreed local outcomes for the people of East Lothian in conjunction with the national priorities contained within the SFRS Strategic Plan 2019- 2022. Our ambition is to work in partnership to improve community safety and enhance the well-being of those living in East Lothian whilst tackling issues of social inequality. This Plan will set out our priorities in order to support this ambition. A review of the 2018 plan has confirmed that the agreed priorities are fit for purpose and have been agreed through the Local Authority scrutiny arrangements.

Early in 2020 we faced an unprecedented challenge in the form of a global pandemic. In response to the COVID-19 outbreak, we dramatically changed how we worked so that we could continue to deliver an emergency service whilst keeping our staff and the public safe. The pandemic is expected to have a lasting effect on society and this will change the way in which we deliver services in the long-term. The full implications are not yet known and this makes it difficult to make any far-reaching plans with certainty. As such we will keep the priorities of this Plan under regular review to ensure it remains relevant and appropriate.

This Plan recognises what we have delivered in the past but looks forward to what we aim to achieve over the coming years and beyond. The safety of our communities is at the heart of everything we do, whether it is responding to emergencies or providing preventative advice and measures. The Plan will highlight our resources in East Lothian, the changing risks to local communities, and how we aim to deliver our services to meet all the challenges we face.

As a public service and a statutory member of East Lothian Community Planning Partnership, we recognise that to be effective and efficient, we must work closely with our partners in order to identify and provide for those most at risk. By working this way, we will look to reduce duplication, share resources and information and make improvements. We will actively contribute to the shared Intent, Vision and Themes set out in the *East Lothian Plan* and it is our intention that the Fire and Rescue Plan is viewed as an extension of this Plan.

As the SFRS resets and renews delivery of key services, whilst moving beyond the pandemic, we will continue to contribute wherever we can in the wider partnership agenda to ensure continued improvements for outcomes for the communities in East Lothian.

Steve Gourlay

Local Senior Officer

Midlothian, East Lothian and the Scottish Borders

National Context

Scottish Ministers set out their specific expectations for the Scottish Fire and Rescue Service in the Fire and Rescue Framework for Scotland 2016. This provides the outline we should follow to ensure our resources and activities are aligned with the Scottish Government's Purpose and national outcomes.

Our [Strategic Plan 2019-22](#) has been designed to meet these national expectations. Set against a complex and evolving backdrop our Strategic Plan encapsulates our mission, values and our strategic outcomes and objectives.



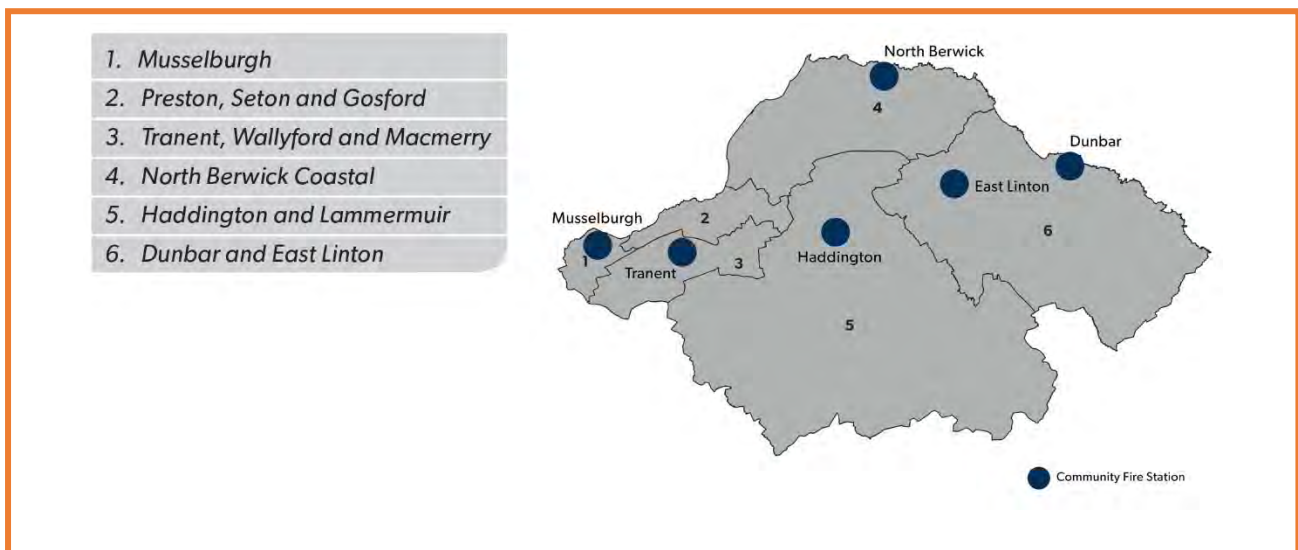
To ensure we can prevent the worst from happening and to be fully prepared to respond should we called, we need to be aware of any new changing risks which threaten the safety of communities or the workforce. When developing our most recent plan, cognisance was given to: our changing population and the forecasted rise in over 75s; doing what we can to balance social and economic inequality; climate change and the devastating impact the inclement weather can have on peoples' lives and livelihoods; and the threat of terrorism.

Our Strategic Plan is supported by a three-year Strategic Plan Programme which provides details on all the activities we intend to carry out to successfully achieve our ambitions. The Programme informs our Annual Operating Plan, which provides specific detail on the actions we carry out each year, and from which our performance is scrutinised.

This Plan is a statutory Local Fire and Rescue Plan. It sets local direction to meet the strategic outcomes and objectives outlined above. It also demonstrates how we will contribute to Community Planning Partnerships (CPPs).

East Lothian Context

East Lothian has a population of just over 105,700 people who reside within areas ranging from major towns such as Musselburgh and Haddington to single dwellings in remote rural locations. The diagram below outlines the electoral ward boundaries whilst highlighting the locations of our 6 Community Fire Stations.



The SFRS attends an average of 1300 emergency incidents a year in East Lothian and reporting focuses on the agreed Key Performance Indicator table below. This details our operational response over the last five years by incident type and provides the Local Authority and partners with the required information to hold the SFRS to account.

Key performance indicator	2015/16	2016/17	2017/18	2018/19	2019/20	YTD
All accidental dwelling fires	80	52	69	69	57	●
All fire casualties (fatal & non-fatal (incl. p/c's))	10	8	14	9	7	●
All deliberate fires excl. dwellings	194	231	230	285	183	●
Special Service - RTCs	57	50	55	47	36	●
Special Service - Casualties	66	54	53	58	38	●
False Alarm - UFAs	466	458	520	498	535	▲

RAG rating - KEY		
◆	RED DIAMOND	10% higher than the previous YTD period, or local target not achieved.
▲	YELLOW TRIANGLE	Up to 9% higher than the previous YTD period, or local target not achieved.
●	GREEN CIRCLE	Equal to or improved upon the previous equivalent quarter (or YTD period), or local target achieved.

Reducing Dwelling Fires, Fire Casualties and Fatalities will continue to be at the heart of our prevention activities, over the last two decades, similar to the rest of the UK, we have seen a gradual decrease in the amount of dwelling fires we attend. Dwelling Fires accounted for around 3.7% of our operational activity, whilst fire casualties have

averaged around 9-10 over the last five years, sadly including four fire fatalities over that period. Prevention activity in East Lothian will continue to focus on those at highest risk with defined vulnerabilities in partnership with those providing care and may be responsible for other risk reduction measures.

Deliberate fires (not including dwellings) are often, but not always, of a malicious nature. Deliberate fires accounted for approximately 15% of our operational activity over the last five years and typically involved refuse, grass, wood and scrubland. Increases in this type of incident activity are generally seasonal and often linked to anti-social behaviour. Deliberate fires of a malicious nature place an unnecessary demand on SFRS and partner resources and often affecting communities socially and economically.

Responding to Road Traffic Collisions (RTC's) as part of a multi-agency effort to minimise injury to those involved and reduce the impact on the transport infrastructure is an area of business that the SFRS invests heavily to ensure the appropriate response. RTCs account for approximately 2% of operational activity in East Lothian.

The term "Special Service" is used to describe non-fire related incidents and includes RTC's, Flooding, medical emergencies, Water Rescue and Hazardous Materials incidents amongst others. Throughout the last 15-20 years, Fire and Rescue Services across the UK have seen a significant increase in attendance at these types of incident whilst domestic property fires decrease. Special Service incidents account for approximately 13-14% of all emergency calls in East Lothian.

Recent history demonstrates that severe wet weather and subsequent flooding is a risk for particular parts of East Lothian and this will remain a focus of our emergency response capability, particularly for our Water Rescue and Flood Response teams.

When required we will also work in partnership with East Lothian Council Emergency Planning and other service providers either as an emergency response or in a preventative capacity.

Due to the location and skills sets of our community-based resources, and the remote nature of much of East Lothian, we have been able to provide assistance to our partners, such as Police Scotland and the SAS, on an increasing basis and for a variety of reasons. Effecting entry for non-fire incidents now accounts for just over 4% of activity in East Lothian.

Unwanted Fire Alarm Signals (UFAS) have accounted for over 33% of our operational incidents in East Lothian over the last five years. Similar to other operational activities, this type of incident demand is not unique to East Lothian, with the UK as a whole facing challenges in relation to reducing UFAS. With disruption to local businesses, schools, healthcare facilities and others, these unwanted calls can have a significant impact across the East Lothian area. Following national policy and using local initiatives we will continue to prioritise the reduction of UFAS whilst engaging with key stakeholders, partners and those with responsibilities for the premises involved.

Our six Community Fire Stations include one Wholetime station at Musselburgh with the remaining five being Retained Duty System (RDS) stations in Tranent, Haddington, East Linton, North Berwick and Dunbar. Wholetime stations are permanently staffed 24/7 throughout the year whilst our RDS staff operate on an "on call" basis and are alerted by pager for emergency calls.

Frontline staff are supported by a team of local and national officers from the Training Function. The local training officers are based at Haddington Community Fire Station and provide dedicated support to operational crews in terms of acquiring new skills, maintaining existing skills and ensuring role competency.

Prevention and Protection (P&P) officers are located at Haddington and Musselburgh.

They consist of Fire Safety Enforcement officers who deal with legislative matters including the auditing of relevant premises and officers who carry out a community engagement role through a diverse and wide-reaching range of prevention activities. In addition to this, a SFRS Local Area Liaison Officer acts as a coordinator for engagement activities whilst liaising with external partners.

A newly established full-time post for a RDS watch commander to support the East Lothian cluster of stations is proving a success and provides direct support for availability, training and community safety activities in East Lothian.

An Area Commander (AC), or Local Senior Officer (LSO), has overall responsibility for discharging the functions of the SFRS within East Lothian. Day to day management of resources is devolved to the East Lothian Group Commander (GC) and Station Commander (SC) responsible for Service Delivery. The Senior Management team also consists of a further GC and two SC's who have responsibility for P&P and Training across the LSO area of Midlothian, East Lothian and the Scottish Borders.

Working in Partnership to achieve better outcomes for the people of East Lothian

This plan and its priorities reflect a partnership approach whilst sharing the vision and themes that will lead to improved outcomes for the communities of East Lothian. The examples below highlight some of the ways in which we aim to contribute to the East Lothian Plan 2017-27. The list is not exhaustive and we will continue to look for innovative ways to help improve outcomes.

The diagram below demonstrates the interlinking of all relevant plans which form the focus for Community Planning Partners in East Lothian all with the “*overarching aim of reducing inequalities.*”

Link to the East Lothian Plan:

https://www.eastlothian.gov.uk/downloads/file/22812/the_east_lothian_plan_2017-27



East Lothian Priority Themes

How we plan to contribute

<p><i>Community-Minded</i> - East Lothian has strong, resilient communities where people respect and support each other.</p>	<ul style="list-style-type: none"> • Provide opportunities for East Lothian’s younger people to acquire new skills, practical and theoretical, learn to work within a team and build self-confidence. The work will seek to promote better citizenship whilst potentially improving opportunities for employment. • In partnership with Police and other partners we will prioritise the reduction of anti-social related Deliberate Fire Setting (excluding Dwellings) through a range of prevention, intervention and diversionary activities.
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	<ul style="list-style-type: none"> • In partnership we will provide opportunities for young people in East Lothian.
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<p>Prosperous - Local businesses are thriving and the business base is expanding.</p>	<ul style="list-style-type: none"> • We will continue to raise the profile and community benefits of the Retained Duty System in East Lothian to attract local workers as firefighters on a part – time basis. • Reduce the impact of unwanted fire alarm signals with a focus on impact reduction on the SFRS, education establishments, healthcare settings and local businesses.
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<p>Fair - People in East Lothian are healthy.</p>	<ul style="list-style-type: none"> • We will provide a range of preventative advice and measures through home safety visits with the aim of keeping people safer in their homes. • As an active member of Public Protection we will carry out a range of preventative and intervention measures. This will include addressing social issues such as, reducing Domestic Abuse, identifying those at risk from Drugs and Alcohol, Fuel Poverty, Frailty and Dementia. • Our holistic home safety programme will aim to reduce Unintentional Harm in the home within the 65 + year old age group. By reducing slips, trips and falls in the home we can contribute to older people living independently whilst alleviating financial and resource pressures on our Health and Social Care partners. • Our holistic home safety programme will aim to reduce Unintentional Harm in the home within the under 5-year-old age group. • We will explore opportunities to work closer with our Health and Social care colleagues in order to reach those most vulnerable in our communities whilst contributing to longer term health outcomes. • We will continue to respond with fire appliances carrying defibrillators. • We will continue to encourage the use of our community fire stations by partners and community groups.
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Performance Scrutiny

The arrangements for local scrutiny of the Scottish Fire and Rescue Service in East Lothian sit with the Police, Fire and Community Safety Scrutiny Committee which meets on a six-monthly basis. The SFRS Local Senior Officer is responsible for ensuring the committee are kept informed of all relevant service matters and provision of performance reporting for agreed priorities and associated indicators.

Local Priorities

1. As part of a Community Partnership approach, we will make people safer in their homes.

Background:

As a key focus for the SFRS making people safer in their homes has long been a priority and will continue to be. From 2005 firefighters have visited East Lothian residents at home and provided home fire safety visits. The will of the SFRS is to continue to look for opportunities with partners to improve on this single subject visit and provide a more holistic approach.

This priority supports the *East Lothian Plan 2017-27*

We will achieve it by:

- *Providing a highly skilled, well trained and appropriate Firefighting response*
- *In partnership, proactively identifying those most at risk from Unintentional Harm in the home*
- *Explore conducting holistic Home Safety Visits that assess a range of risks within the home including fire, slips, trips and fall and other vulnerabilities*
- *Exchanging risk information with partners including referrals.*

Performance Indicators:

- *The primary performance measures will be the number of accidental dwelling fires and associated casualties.*
- *Quantity and quality of risk based home fire safety visits delivered.*
- *Partnership referrals for vulnerable at-risk individuals and dwellings.*

Expected Outcomes:

- *Support the independent living of vulnerable people within East Lothian*
- *Reduce the social and economic cost of Unintentional Harm in the home including fires and slips, trips and falls.*

2. We will promote Community Resilience whilst contributing to improved outcomes for people involved in non-fire emergencies.

Background:

“Special Service” is the Fire and Rescue Service term given to non-fire related emergencies/incidents including, Road Traffic Collisions (RTCs), Rescue from Water, Flooding, Height, Confined Space, Structural Collapse, Hazardous Material incidents and medical emergencies supporting the Scottish Ambulance Service. Unfortunately, when incidents of this type occur they often involve casualties and sometimes fatalities. East Lothian has a diverse range of Special Service risks including busy A and B class roads that are used regularly by commuters and tourists, Torness Power Station and

many commercial businesses.

On average, 13-14% of all SFRS incidents each year in East Lothian are Special Service calls. As the SFRS explore opportunities for assisting our partners through emergency intervention there is a potential for associated casualty figures to continue to rise as we attend more Special Service incidents.

We will look to improve existing preventative strategies with Community Partners whilst ensuring that should we need to provide emergency response, we can do, effectively and efficiently, in order to improve outcomes for all Special Service Casualties.

This priority also supports the East Lothian Plan 2017-27.

We will achieve it by:

- *Being an integral component of East Lothian Community Planning and championing an effective partnership approach to risk reduction*
- *Education and awareness aimed at high-risk groups within our communities*
- *Training our staff and locating our resources in order to provide an effective and efficient emergency response*
- *Building on our relationships with other emergency services and improving how we work together through prevention and intervention.*

Performance Indicators:

- *Reviewing and reporting on the number of Special Service Casualties including RTC, Water/ Flood Rescue, medical emergencies and effecting entry*
- *Monitoring and evaluating SFRS participation in community events and initiatives designed to enhance community resilience.*

Expected Outcomes:

- *Improved outcomes for persons involved in non-fire emergencies in East Lothian*
- *Reduce the social and economic cost of Special Service Casualties*
- *Where capacity exists, reduce the demand on Community Partners through prevention and intervention activities.*

3. Together with our Community Partners, we will contribute to making East Lothian roads safer.

Background:

Road traffic collisions (RTCs) continue to impact across East Lothian with often tragic consequences. The SFRS has trained and equipped firefighters across the County prepared to deal with the incidents where, as part of a multi-agency response, we rescue and provide care for those affected.

As well as providing an emergency response to accidents on our roads, the SFRS have a key role to play in reducing RTC's through education and raising awareness in partnership with our Community Partners. By using experience and statistical evidence we will identify those most likely to be involved in a RTC in East Lothian, with these groups being the focus of attention for prevention activities based on risk.

We will aim to build on existing local prevention initiatives and in partnership look to utilise

our resources innovatively, efficiently and proactively with the aim of making the roads in East Lothian safer.

This priority supports the *East Lothian Plan 2017-27*.

We will achieve it by:

- *Working with our partners within East Lothian to identify those groups most at risk*
- *Delivering the appropriate prevention activities to those most at risk whilst being proactive and innovative*
- *Continued support of the Community Planning Partnership (CPP) Road Safety Working Group*
- *Encouraging young drivers and other groups to be responsible road users through active engagement and education.*

Performance Indicators:

- *Reviewing and reporting on the number and type of road traffic collisions within East Lothian*
- *Reporting and evaluating the effectiveness of our partnership prevention activities.*

Expected Outcomes:

- *SFRS to have contributed towards reducing the number of people killed or seriously injured on roads in East Lothian*
- *SFRS to have contributed to the reduction of Road Traffic Collisions within East Lothian*
- *SFRS to have contributed to reducing the consequences and associated community impacts of RTC's.*

4. As part of a Community Partnership, we will challenge anti-social behaviour.

Background:

Anti-social behaviour can manifest itself in many ways and often has a significant detrimental effect on communities for a number of reasons.

The SFRS generally experience anti-social behaviour through deliberate fire setting which can sometimes manifest into physical or verbal violence to our crews. Thankfully, the latter is a rare occurrence in East Lothian, however, the figures relating to Deliberate Fire Setting are not so positive.

There is often a close link between deliberate fires and anti-social behaviour and predominately involves malicious ignition of refuse, grass, woodland. Incidents of this type accounted for approximately 13-14% of our operational activity over the last five years. East Lothian has seen a welcome decrease over the last year and working with partners we would seek to further reduce this.

Due to the sporadic and random nature of many deliberately started fires, prevention activities are often reactive.

As a Service, we recognise our responsibility in reducing anti-social behaviour and its impact, this extends to not only fire related instances but includes other social issues such as Domestic Abuse.

This priority supports the *East Lothian Plan 2017-27*.

We will achieve it by:

- *In partnership identifying those parts of East Lothian affected by deliberate fire setting, whilst delivering effective prevention activities*
- *Acting as role models to promote good citizenship, especially with those who have*

- or are likely to become involved in deliberate fire setting*
- Continued support of East Lothian Safer Communities Team and the Multi Agency Risk Assessment Conference (MARAC) in relation to Domestic Abuse*
- Exploring opportunities to lead and participate in innovative projects.*

Performance Indicators:

- Reviewing and reporting on the number and type of deliberate fire setting incidents within East Lothian*
- Evaluating and reporting on the effectiveness of our youth engagement/intervention programmes and monitoring our attendance at MARAC's.*

Expected Outcomes:

- Support the promotion of "people and place" across East Lothian*
- Support our communities in feeling safe from crime, disorder and danger*
- Reduce the number of attendances to fires of a deliberate nature, particularly secondary fires*
- Reduce the adverse effects and negative impacts which deliberate fire setting has on people's lives within East Lothian.*

5. In partnership, we will aim to reduce the occurrence and impact of Unwanted Fire Alarm Signals.

Background:

Unwanted Fire Alarm Signals (UFAS) are defined as incidents where an automated fire alarm system activates and results in the mobilisation of SFRS when there is no fire. With UFAS accounting for over 33% of our incident activity it's clear that this places a significant burden on SFRS in terms of resources, time and associated costs. The impact of UFAS in the wider community can be very significant in terms of business disruption, effects on health care premises, education establishments and any other non-domestic premises effected by this. The level of unnecessary blue light response journeys also increase road risks and hazards to firefighters and to the public and have a detrimental impact on the environment through additional carbon emissions. Active and positive engagement with occupiers to take responsibility in limiting the number of UFAS incidents within their premises is integral to reducing these impacts.

We will achieve it by:

- Investigating the cause of each UFAS call and documenting the information gained*
- Engaging with duty holders and those responsible for fire safety management of premises to examine causes of UFAS calls and provide advice to prevent reoccurrence*
- Look to reduce the number of fire appliances mobilised using a risk based approach to responding to automated fire alarms*
- Maintaining a dedicated UFAS champion within the East Lothian area to oversee performance and best practice approaches to UFAS reduction.*

Performance indicators:

- Reviewing and reporting on the number of UFAS calls in the East Lothian area*
- Reviewing and reporting on risk based reductions in the SFRS weight of response to premises with automated fire alarm systems.*

Expected Outcomes:

- *Reduce the demand on the SFRS from UFAS*
- *Reduce the economic cost to commerce in East Lothian from disruption from UFAS*
- *Reduce the impact on education premises and health care facilities from UFAS*
- *Reduced vehicle movements, increasing capacity for other activity, improved road safety and reduced carbon footprint.*

Review

To ensure this Local Fire and Rescue Plan remains flexible to emerging local or national priorities a review may be carried out at any time but will be reviewed at least once every three years. A review may also be carried out if the Scottish Minister directs it or if a new Strategic Plan is approved. This refresh of the 2018 plan will provide an interim direction as the SFRS and communities across Scotland move beyond the pandemic which has changed so many areas of our lives. Following any review, the Local Senior Officer may revise the Plan.

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REPORT TO: East Lothian Council

MEETING DATE: 22 June 2021

BY: Executive Director for Council Resources

SUBJECT: Financial Review and Draft Annual Accounts – 2020/21

4

1 PURPOSE

- 1.1 To provide an update on the **DRAFT** financial position for the Council for the year ending 31 March 2021. Specifically to consider; the **DRAFT** unaudited accounts for the year and approve their submission to external audit, and to set out the financial management review for the year 2020/21.

2 RECOMMENDATIONS

- 2.1 The report recommends that Council approves the following:

Relating to DRAFT Accounts 2020/21, as set out in Appendix 1 and 1a and b

- Note the draft annual accounts and approve their submission to External Audit prior to the statutory deadline of 30 June 2021.
- Note the impact on the Council's reserves and the implications relevant to the approved Reserves Strategy.
- Authorise me, as the Council's Chief Finance Officer, to make any required late changes to the unaudited financial statements prior to final submission to audit.
- As set out in Appendix 1 and 1b, note the position set out in the Dr Bruce Charitable Accounts for 2020/21.

Relating to the Financial Review 2020/21, as set out in Appendix 2 and supporting Appendices 2a-f

- Note the 2020/21 financial performance against approved budgets.
- Note the progress in delivering approved 2020/21 budget reductions.
- Note the significance of the COVID-19 pressure, and the impact of non-recurring funding provided during 2020/21.

3 BACKGROUND

- 3.1 In line with statutory requirements, the Council is asked to consider and approve the draft annual accounts for 2020/21 prior to submission for Audit. A summary report setting out the key financial implications within the accounts and a summary of the Council's draft usable reserves is set out in Appendix 1 with the draft accounts set out in Appendix 1a, and Dr Bruce Charitable Accounts set out for reference in Appendix 1b.
- 3.2 The Council received a number of financial management update reports during 2020/21 setting out the financial position for the Council against approved budgets. A summary of the 2020/21 financial review is set out in Appendix 2 and associated appendices (2a – 2f).

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 – 17 December 2019 – Item 4 Finance Strategy 2020-25

- 7.2 Council – 25 February 2020 – Item 4 – Budget Development including setting of rent levels 2020-25
- 7.3 Council – 3 March 2020 – Item 2 – General Service Budget Proposal - Administration
- 7.4 Members Library Service 31 May 2020 – 61/20 COVID 19 Financial Management Update
- 7.5 Members Library Service 31 July 2020 – 78/20 COVID 19 Financial Update
- 7.6 Council 25 August 2020 – Item 5 – 2020/21 Financial Review Quarter 1
- 7.7 Council 27 October 2020 – Item 5 – Financial Update
- 7.8 Council 23 February 2021 – Item 4 – 2020/21 Quarter 3 Financial Review

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DATE	9 June 2021

Appendix 1 – Draft Unaudited Accounts 2020/21

1 BACKGROUND

- 1.1 The Council's draft annual accounts are included in their entirety as **Appendix 1a** to this report. These accounts summarise the financial transactions made during 2020/21, and the Council's overall financial position as at 31 March 2021. They also include the consolidated group accounts for a number of entities where the Council has a controlling interest. The Council must prepare annual accounts in line with the Local Authority (Accounts) Scotland Regulations 2014 and therefore these must be prepared in accordance with proper accounting practice as set out in the CIPFA / LASAAC Code of Practice on Local Authority Accounting.
- 1.2 In line with statutory requirements, draft accounts for any year must be reviewed and considered by those charged with governance prior to submission for audit by the deadline of 30 June in any year. Given the current COVID-19 pandemic, whilst there has been no formal change to the statutory deadlines for submission of draft accounts, the previous September statutory deadline for finalising the audited annual accounts has now been extended until the end of November. External Audit have adopted a pragmatic and flexible approach, which takes account of local circumstances, and aims to have the audit finalised and reported by end of October 2021. Should this not prove possible Members will be kept fully informed.
- 1.3 Despite the continuing pressures faced through managing COVID-19, and also recognising that formal business continuity plans continue to be invoked, the Finance team have worked extensively and collectively with services to support the timely production of the year-end accounts as set out for consideration. Alongside this, the Finance team have continued to engage constructively with external audit during this period.
- 1.4 To fully satisfy the governance requirements to scrutinise the accounts prior to submission for audit, a number of significant steps have been taken:
- Certain critical components relating to governance and internal control were considered formally by Audit and Governance on 15 June 2021. These have currently been reflected within the Annual Governance Statement within the accounts, but remain subject to approval by the Committee and therefore remain in draft;
 - A briefing session was held for all Elected Members on 14 June 2021, which provided information to help support the proper interpretation of year end accounts, including the key results and movements;
 - Following on from this session, all Elected Members have received a copy of the draft accounts and have had the opportunity to raise any significant questions or lines of enquiry to provide further clarity and understanding.

- 1.5 Although no significant material changes are expected to be made to the draft accounts set out in **Appendix 1a** prior to formal submission to audit, it is recommended that authority for submission of the accounts incorporating any necessary editorial and presentational changes, be delegated to the Chief Financial Officer.
- 1.6 The accounts reflected within **Appendix 1a** include the draft financial results for the Council as well as our formal Group components. The council has overall stewardship responsibilities for Common Good Funds, Trust Funds and effective control of other entities. These are included as subsidiaries in the Group Accounts, details of which sit within the wider accounts.
- 1.7 Alongside this, external audit have responsibility to audit Dr Bruce Accounts which is a charity administered by the Council. The accounts for 2020/21 have been considered by the trustees (Musselburgh Councillors), and approved for audit. The Dr Bruce Accounts for the year are set out for information in **Appendix 1b**.
- 1.8 The key financial results set out within the accounts are summarised below with further details included within the 2020/21 Financial Review provided in **Appendix 2**. The Council's draft accounts are currently presented for consistency aligned to the structure set out in the approved 2020/21 budget. Members are reminded that all results are reported in DRAFT pending the finalisation of the audit process.
- The Council's overall reserves now sit at £446.411 million, an increase of £63.895 million (£13.959 million increase in usable reserves, and £49.936 million increase in unusable reserves).
 - Relating to usable reserves this includes:
 - Increase in wider General Services reserves by £13.959 million to £33.080 million. Members should be aware that this includes a capital receipt of £0.627 million which has been earmarked to be used in support of the HRA account.
 - HRA reserves held at £2.009 million.
 - The unusable reserves include a number of adjustments across all of our statutory reserves. During 2020/21 the Council had a revaluation of operational assets and this has resulted in an upward movement in the revaluation value of operational council assets. The Pensions Reserve has increased to £196.054 million. Changes in estimates used for the calculations, such as a lower discount rate for liability calculations and pension payment increases, are the primary reasons, increasing the liability by some £159 million. This increase was offset by a positive return on fund assets. Amendments to demographic assumptions, such as the time duration for which each pension will be payable, also helped to offset some of the liability increases, reflecting the results of the 2020 triennial review of the Lothian local government pension fund.

- Relating to General Services, the Council had planned to utilise £1.466 million of reserves to balance expenditure commitments in 2020/21 and this has not been necessary. More detail setting out the General Services reserves and associated commitments is set out in paragraphs 1.9 and 1.10, below.
- Relating to HRA, the level of reserves has been maintained at the previous balance of £2.009m, and this has been achieved through flexibility in adjusting the funding contributed to in year capital expenditure to match the available statutory surplus for the year. This approach remains consistent with the Council's approved financial strategy.
- The Common Good Fund usable reserves increased by £0.934 million to £10.617 million, most of which relates to increased fair value of investments.

General Services Reserves

1.9 More detail setting out the draft position as at 31 March 2021 is set out in the table below and supporting narrative. Further details are also provided within the 2020/21 Financial Review in **Appendix 2**.

Reserves (Numbers within brackets relate to further detail in section 1.10 below)	2019/20 £'000	2020/21 £'000
Earmarked Reserves		
Required to support future budgets (1)	1,716	3,095
Civil Emergency *	2,000	2,000
Cost Reduction Fund (2)	3,445	3,445
DSM (3)	21	1,071
MELDAP (4)	303	36
Other (5)	485	440
General Services Capital *	2,282	2,282
Council Tax 2 nd Homes (6)	1,962	2,064
Earmarked Sub-Total	12,214	14,433
Other Committed Reserves		
Other Ring-fenced funds (7)	0	932
Insurance Fund (8)	2,009	2,306
Capital Fund & Capital Receipts (9)	713	2,201
Capital Grants & Receipts Unapplied	245	245

COVID Fund (10)	0	8,900
Balance to support min level (11) *	798	918
Other Committed Reserves	3,765	15,502
Balance (12)	3,142	3,145
TOTAL	19,121	33,080

* As set out within the approved Financial Strategy, the Council is required to hold a minimum level of uncommitted reserves equivalent to 2% of annual running costs. The minimum level is updated annually, and reflected within the revised financial strategy which sets the context for approving budgets. For 2021/22, the approved minimum level of uncommitted reserves to be held was set at £5.2 million. This includes the following balances:

- Civil Emergency £2.000 million
 - General Services Capital £2.282 million
 - Balance to support min level £0.918 million
- TOTAL £5.200 million**

1.10 More details to support the general services reserves is set out below:

Earmarked Reserves

1. Balance held to support future budget plans, aligned to the approved General Service budget for 2021-2024.
2. The Cost Reduction Fund reflects the position as at 31 March 2021. There are a number of approved commitments allocated against this fund for potential draw down in 2021/22 and beyond.
3. More details setting out the specific movements within both Primary and Secondary DSM balances are provided in the 2020/21 Financial Review with most schools now sitting at their maximum carry forward in line with current DSM guidance.
4. The Council continues to hold a MELDAP reserve that will be used to support targeted interventions, relating to Drug and Alcohol Services. £0.267 million has been utilised in 2020/21.
5. The 'Other' earmarked reserve relates to a previous Council commitment to retain balances to support the wider Accelerating Growth Plans. The Council has drawn down £0.045 million during 2020/21.
6. Council Tax 2nd Homes was established in 2019/20 and is earmarked to support the development of affordable housing. This is

supplemented each year with Council Tax received from 2nd Homes and offset by any commitments drawn down during the year.

Other Committed Reserves

7. Other Ring Fenced Funds - this earmarked reserve has been established during 2020/21 to support specific funding commitments within service areas relating to previously committed expenditure obligations which have not materialised in 2020/21, or aligned to national funding which has been received.
8. The Council's insurance fund has increased in line with the latest assessment of ongoing obligations. The future obligations for the Council will be further reviewed during 2021/22 in line with the next valuation.
9. The balances held include capital receipts received in year, as well as earmarked balances retained specifically against the HRA and will be used to defray future debt charges.
10. The Council's approved financial strategy set out the likely requirement for the establishment of a COVID fund should any additional balances arise from national funding provided to support COVID interventions during 2020/21. More detail setting out the commitments against this fund is set out further in section 1.11 below.
11. The additional balance is required to support the minimum level of uncommitted reserve holding set out within the approved Financial Strategy.

Uncommitted Balance

12. The Council has maintained a further uncommitted balance of £3.145 million.

COVID Fund

- 1.11 As highlighted above, the Council's approved financial strategy set out the potential requirement to establish a COVID fund, and this is also explained in more detail in the 2020/21 Financial Review provided in **Appendix 2**. Throughout the year, the Council has continually sought to maximise receipt of all funding being made available by national governments. During the final quarter of 2020/21, the Council received late confirmation of significant levels of additional national funding to support COVID interventions including some that was actually earmarked to support subsequent interventions into 2021/22. Some funding was received so late that it was impossible to apply before the financial year-end and therefore a combined sum of £8.9 million has been set aside within a dedicated COVID fund. The vast majority of this fund has effectively been committed to support the delivery of national policy interventions within East Lothian. Some of this fund has already been drawn upon, such as the

provision of discretionary business support grants, with actual payments distributed in April 2021. A summary of the high level commitments already made are as follows:

- Business Grants support and intervention (circa £1.6 million);
- Education support aligned to national funding commitments (circa £1.9 million);
- Wider hardship / poverty / financial intervention and support (circa £1.0 million);
- Mitigation of on-going COVID cost pressures facing the Council including ability to recover income and rechargeable fixed costs (circa £3.0 million).

1.12 A more detailed supporting action plan is currently being developed, and will be used to assist with the effective financial management of our COVID Response, and Recovery and Renewal Framework and supporting key activity areas. An update on the action plan will be provided as part of the regular financial reviews during 2021/22.

Reserves Summary

1.13 In respect of the Council's General Services reserves, there has been a significant increase during the year but most balances are aligned to a combination of previous commitments and new COVID related commitments. The level of uncommitted reserves remains low and only marginally above the minimum level specified in the Council's approved Financial Strategy.

1.14 The underlying financial challenges facing the Council going forward remain significant and are exacerbated by both on-going support for our COVID-19 crisis response and indeed throughout the yet to be fully determined recovery and renewal phase. The Council continues to face very significant financial challenges relating to increased service demand against a backdrop of reduced national Local Government funding. The Council will continue to do all that it can to minimise and mitigate the on-going financial impacts but there remains a very real possibility that the Council may not be able to operate within approved budget levels without implementing further efficiency measures. Effective management and application of our reserves continues to be a critically important factor in the financial strategy and future sustainability of the Council and care must always be taken to balance short terms flexibility against recurring pressures and commitments.

1.15 Noting that these reserve levels are still in draft pending the finalisation of the annual audit, and taking into account the wide range of financial risks currently facing the Council, it is recommended that the current 'uncommitted' balance be retained to bolster the minimum level of reserves held by the Council. This will provide the Council with some limited but much needed capacity to manage future uncertainties

associated with ongoing management of both COVID and council services more generally.

- 1.16 The Council's wider HRA reserves will continue to support the wider requirements set out within the financial strategy, in particular using flexibility in HRA revenue balances to minimise the impact of future debt charges.

Next Steps

- 1.17 Subject to Council approval, the unaudited accounts will be formally submitted to Audit Scotland before 30 June, with the current working assumption that the audit will be completed by the end of October 2021. During this period, the accounts and under-pinning financial results remain draft until the audit has concluded. Upon completion of the audit, the final audited accounts will be reported to Audit & Governance Committee, setting out any key changes arising during the course of the audit, alongside the draft External Audit report.
- 1.18 In accordance with statutory requirements, the draft accounts will be made available for public inspection between 1 July 2021 and 21 July 2021.

Appendix 2 – Financial Review 2020/21

2 BACKGROUND

- 2.1 At its meeting on 3 March 2020, the council approved a budget for 2020/21 for General Service's revenue and capital, while the budgets for HRA revenue and capital were approved the week before on 25 February 2020. Both meetings also approved outline budgets for subsequent years.
- 2.2 During the year, the Council has received regular updates on the in-year financial performance and underlying challenges, with the most recent report setting out the position at Quarter 3 presented on 23 February 2021. That report noted that subject to successful management of identified risks then the budget would be in balance for the year.
- 2.3 Since the previous report, the Council has continued to operate within an extremely challenging financial environment including the impact arising from COVID-19. This report reflects the full impact of the costs incurred by the Council in relation to the pandemic to date. The position overall has been improved by significant additional funding confirmed late in the financial year by Scottish Government to meet the costs of the pandemic. Much of this funding has been made available to deliver specific targeted policy interventions and some of the funding will be utilised to support the ongoing recovery work, which will impact during 2021/22 and beyond. Additionally, there remain significant non-COVID risks facing the Council and these collectively will remain key areas of monitoring work in 2021/22.
- 2.4 The focus of this report is to set out the financial results for the 2020/21 financial year across all council services. These results remain in draft pending the finalisation of the 2020/21 audit.

General Services Revenue Summary – 31 March 2021

- 2.5 An analysis of the financial position across service groups is set out in **Appendices 2a** with further details set out in the paragraphs below. Members should be aware that the Council changed its Chief Officer structure, and as such 2 separate Appendices have been included in the report:
- Appendix 2a (1) – aligned to the revised Chief Officer Structure
 - Appendix 2a (2) – remains consistent with the previous Financial Reviews, aligned to the approved 2020/21 budget and reflects the position set out in the DRAFT annual accounts set out in Appendix 1a.
- 2.6 A number of budgets have changed relative to approved budgets. These accounting adjustments are necessary to ensure that the surplus or deficit on service areas reflects only costs that are chargeable direct to the taxpayer. The most significant of these adjustments relate to IAS19 pension requirements and depreciation charges.
- 2.7 In summary, service expenditure is showing an underspend of £12.471 million (5.1%). This position includes:

- Additional General Revenue Grant funding of £20.302 million from the Scottish Government. This additional funding is intended to help meet the costs of the pandemic, including £8.900 million, which has been carried forward to 2021/22 and will be used to deliver specific commitments directed by the Scottish Government and to support wider response and recovery interventions aligned to the approved Strategic Recovery and Renewal Framework.
 - Council delegated IJB budgets, delivered a surplus of £0.433 million, and aligned to the approved Scheme of Integration this will increase the IJB reserves in 2020/21.
 - £3.272 million of funding has been made available from the IJB to mitigate the additional COVID costs incurred by the Council on Adult Wellbeing Services.
 - £0.637 million of additional Scottish Government funding to meet the costs of the “£500 thank you payment” to Health and Social Care staff.
 - The Council delivered a surplus of £4.373 million in Early Learning and Childcare revenue specific grant funding in 2020/21. Aligned to national guidance, flexibility has been applied, with £2.200 million diverted to support future capital costs related to the Early Learning and Childcare Programme; £0.746 million diverted to support wider COVID pressures in 2020/21 within Education & Children’s Services, and £1.372 million carried forward to support the future rollout of the programme in 2021/22.
 - The charging of applicable fixed costs with the Property Maintenance Trading Account of £2.931 million to the Housing Revenue Account in line with Scottish Government guidance. This reflected the reduced productivity within the service during the pandemic.
- 2.8 Without this additional funding and other permissible flexibilities in Scottish Government funding and guidance, amounting to £23.979 million, (comprising £20.302 million of Scottish Government Funding, £0.746 million of flexibility within Early Learning and Childcare and the authority to transfer £2.932 million of Property Maintenance fixed costs to HRA), the council would have been £11.508 million over budget.
- 2.9 The Quarter 3 report in February 2021 noted that subject to successful mitigation of risks that a balanced position was achievable. The movement in the projected position largely reflects the additional funding from the Scottish Government announced after the completion of the Quarter 3 budget monitoring, amounting to over £11m. **Appendix 2b** provides a summary of the total funding received from the Scottish Government during 2020/21 to support wider COVID intervention including the payment of grants to businesses.
- 2.10 The financial position set out also includes the following application of earmarked reserves:

Devolved School Management Balance

Primary and Secondary schools have been able to increase their DSM balance by £1.050 million, which leaves a balance £1.070 million at 31 March 2021.

Insurance Fund Balance

The insurance fund has increased by £0.297 million to meet the latest assessment of on-going obligations. The balance is now £2.306 million.

Second Home Council Tax Reserve

The provision balance increased by £0.504 million in 2020/21. There was a use made of the provision to the value of £0.402 million to support RSL's in East Lothian to purchase properties. The balance is now £2.068 million.

Other

Health and Social care made use of the MELDAP (Drug and Alcohol reserve) and reduced the balance by £0.267 million to £0.036m. Similarly, there was a use of £0.045 million from the reserve that has been earmarked by the Council to support the Accelerating Growth Programme.

- 2.11 When setting budgets for 2020/21, the Council approved total planned savings of £3.213 million. More detail setting out the delivery of planned savings is set out in **Appendix 2c**. Aligned to previous reports, £0.129 million has not been delivered, most of which relates to income generation. Members are reminded that the planned savings includes the delivery of £2.000 million of corporate savings. This has been achieved in year from underspends across staffing budgets, but there remains a continued risk in delivering these savings sustainably on a recurring basis. This position will be closely monitored during 2021/22.
- 2.12 The summary below sets out the key pressures across each of the directorates and the key variables of change from the previously reported position.
- 2.13 The **Education and Children's Services Directorate** is reporting an underspend of £2.065 million (1.6%). A summary of the key variables and risks are set out below:
- Children's Services, £2.008 million over (12.6%) - the most significant pressure remains in External Residential Care, high tariff secure placements and external fostering. This includes additional COVID-19 related expenditure in excess of £1.300 million largely relating to; loss of income, additional cover for staff absence, and additional external fostering placements due to pressures within local fostering capacity. These additional costs are partially offset by additional funding from the Scottish Government, as well as permitted flexibility in the Early

Learning and Childcare budgets noted above. Despite this, there is evidence that targeted interventions is starting to have a positive impact in controlling additional demand for external placements with more packages of support that keep young people within East Lothian put in place at significantly lower cost. This will remain an area of close review during 2021/22.

- Management remain focussed on a range of options designed to minimise future spend commitments whilst ensuring that services provided to children are undertaken in a way that best supports and protects children. This includes the establishment of a wider review of services provided to children across the Council to ensure a whole-council approach to reducing vulnerability and will include enhanced family support measures.
- Education, £4.073 million under (3.6%) – There remain pressures in the ASL budget, largely relating to external placement and transport costs, and there was significant additional COVID-19 related costs to support the safe reopening of schools, including PPE, cleaning and transport. However, as previously reported, flexibility of around £3 million has been applied in respect of Early Learning and Childcare funding in line with national guidance. There remains risks around the recurring impact the demands of education recovery from the pandemic will have on the service.

2.14 The Council Resources Directorate is reporting an underspend of £1.006 million (8.2%). A summary of the key variables and risks are set out below:

- Finance, £0.601 million under (13.3%) – There is an underspend in Finance due to staffing vacancies, some of which have been held, pending the full implementation of a number of significant service reviews.
- Corporate, £0.405 million under (5.3%) – There remains significant additional costs to support the IT capability of significantly increased numbers of staff working from home, however there is an underspend due to staffing vacancies across all wider services, some of which have been held, pending the full implementation of a number of significant service reviews.

2.15 The **Health & Social Care Directorate** which includes the Adult Wellbeing service reported an overspend of £0.506 million (0.9%) This is due to the level of demand for commissioned services such as care homes and care at home. As highlighted in the February 2021 report, the service experienced significant COVID-19 related costs, in excess of £4 million by the end of the financial year. This includes: loss of anticipated income, the purchase of spare care home beds, and ongoing sustainability payments to external providers in line with national guidance. Distinct from other council services, these costs have been offset by the additional government funding to the IJB to support health and social care of over

£3.2 million as set out in section 2.7. In addition, costs and funding of £0.637 million for the “£500 thank you payment” have been included.

2.16 The majority of this budget is delegated to the IJB along with a small number of other budgets within Community Housing, the Housing Revenue Account and Housing Capital. Therefore, this must be managed in accordance with the scheme of integration and wider overall IJB resources. There are significant underspends in these non-Adult Wellbeing areas of over £0.900 million which have led to the underspend in the IJB delegated budget of £0.433 million. This surplus has been transferred to the IJB reserve.

2.17 The **Place Directorate** is reporting an underspend of £2.304 million (4.9%). A summary of the key variables and risks are set out below:

- Development, £1.478 million under (27.8%) – The main reason for the high level of underspend is due to funding received within Economic Development for COVID-19 Business Support. Unlike the other nationally directed business support schemes funded through a specific Government Grant, this funding was part of the Council’s General Revenue Grant in 2020/21. The scheme however will incur costs in 2021/22 and therefore this funding has been carried forward as part of reserves to cover those costs arising in 2021/22. Other contributing factors to the underspend were staff savings.
- Housing, £0.172 million under (7.6%) – As noted in the February 2021 report Scottish Government guidance has allowed for the fixed costs relating to the Property Maintenance Trading Account to be charged to the HRA, the value of this was in excess of £2.9 million. Other contributing factors to the underspend were staff savings.
- Infrastructure, £0.195 million over (0.7%) – As highlighted in previous financial update reports, the main areas of financial pressures during 2020/21 are in Roads and Waste, albeit most other infrastructure service areas also faced significant COVID-19 related pressures. Across the wider infrastructure services, much of the planned income levels were impacted by COVID response and wider activity as well as significant under-recovery of rechargeable works relating to Roads Trading activity and increased collection and disposal costs in Waste Services. Some of these pressures partially offset by improved income levels in areas such as Coastal Car parking income, and staffing underspends as some staff were deployed to support COVID response and intervention. There does however continue to remain significant and on-going pressures to support both response and recovery intervention across wider Infrastructure services and this will be closely monitored during 2021/22.
- Communities & Partnerships, £0.849m under (6.8%) – Despite most service areas being heavily involved in supporting COVID-19 related activities the service achieved an underspend, largely due to savings from vacant posts.

2.18 The Corporate Management budgets include most of the key resource streams and corporate commitments for the Council, the most notable of which include Scottish Government grant funding, Council Tax income. More detail relating to Scottish Government grant funding received during the year to support COVID-19 pressures and priorities are set out further in this report. The main points to note are:

- Council Tax Budgets delivered below approved budgets of £0.493 million (0.8%). This is largely due to a combination of lower than planned house completions, and higher than expected increase in the bad debt provision.
- Revenue Collection Rates – despite significant challenges arising from COVID, Council staff have worked pragmatically with those in financial difficulty, and have collectively managed to protect revenue income and maintain collection rates at a very high level. This will be an area closely monitored as we move into 2021/22 and beyond.
- The Council applied loans fund charges of £15.250 million in line with the approved budget.
- A large proportion of the additional Scottish Government grant funding received to support COVID intervention has been held in corporate management balances, with a significant proportion of this carried forward to support targeted intervention in 2021/22 as previously referenced.

Scottish Government Funding

2.19 As previously indicated a summary setting out the full funding received during 2020/21 in support of COVID-19 interventions is set out in **Appendix 2b**. Most of this funding has been received on a non-recurring basis with a large proportion targeted to deliver specific policy intervention, however many of the cost implications facing the Council are likely to continue into 2021/22 and possibly beyond. As highlighted previously, £8.900 million has been carried forward to support a range of COVID-19 interventions in 2021/22 aligned to Recovery & Renewal framework within the Council.

2.20 Whilst recognising the significant additional financial intervention which has been provided, at the same time, COVID-19 has unquestionably created significant financial pressures, with costs during 2020/21 in excess of £21 million. A summary setting out the COVID pressures across each Directorate is set out in more detail in **Appendix 2d**.

2.21 Alongside this, the Council has applied flexibility in the use of existing funding streams aligned to national flexibility. This includes funding previously made available to support the expansion of Early Learning and Childcare to 1140 hours, as well as the recharge of fixed costs within Property Maintenance as referenced earlier.

- 2.22 Previous Council reports have highlighted a wider package of permissible national ‘fiscal flexibilities’ for Scottish Councils to support the mitigation of COVID-19 pressures. Some of these fiscal flexibilities remain under active discussion between COSLA and Scottish Government. Members should be aware, that no application of these wider ‘fiscal flexibilities’ has been reflected in the 2020/21 financial results, but a proportion of these have already been reflected in the approved 2021/22 budget relating to loans fund repayment holiday. These wider ‘fiscal flexibilities’ whilst no substitute for additional funding, continue to provide a potentially vital alternative means of absorbing the unfunded burden of COVID-19 response and supporting future recovery activity, and will be an area which is kept under close monitoring and review.

Council’s Group Components

- 2.23 From the outset of COVID-19, the Council has engaged constructively with its group account partners to consider the financial implications of each of the organisations during this pandemic. As previously notified in closing the 2019/20 accounts, a “letter of guarantee” was provided to both Enjoy and Brunton Theatre Trust. The “guarantee” whilst not prescriptive in respect of quantum, gave both organisations positive assurance that the Council would work proactively with them to manage cash flow and fulfil their inescapable obligations should the need arise
- 2.24 Both Enjoy and Brunton Theatre Trust suffered a severe shortfall in income throughout 2020/21. Additional financial support of just under £0.500 million has been provided to support our wider group partners in 2020/21 aligned to the national loss of income scheme, and previous Council commitment. We will continue to work proactively and constructively with our group partners both in terms of supporting the closure of the 2020/21 financial accounts, and the management of wider implications going forward and it should be noted that there is a high likelihood that additional funding support will be necessary during 2021/22.

General Services Conclusion

- 2.25 The Council continues to operate within an extremely challenging financial environment, which has been especially difficult due to the many and significant impacts arising from COVID-19 response, and will become further challenged as we move from response into recovery and renewal. This report reflects the full impact of the costs incurred by the Council in relation to the pandemic during 2020/21 which has in part, been supported by significant additional funding provided by the Scottish Government. Many of these additional costs are likely to be recurring into 2021/22 and potentially beyond, and it will continue to be an area of significant challenge to balance and align expenditure and funding commitments particularly given the non-recurring nature of national funding provided to date.

General Services Capital Summary – Quarter 3

2.26 General Services gross capital expenditure at the end of 2020/21 was £35.7 million against an updated capital budget of £98.1 million, a reduction of the previously reported forecast of £42.5 million. The majority of the underspend has already been re-profiled as part of the 2021/22 Capital Plan and will be utilised in future years. Where appropriate, this is matched against expected income in line with individual project requirements. Capital Income applied in year was £23.5 million, the most significant element of which relates to the application of developers contributions matched against related project expenditure. More details setting out the specific project spend relative to approved budgets is set out in **Appendix 2e**. A summary of the key movements and associated risks are highlighted below:

- Community Projects – delays in design and planning for Town Centre Regeneration resulted in a lower expenditure profile, with grant flexibility to carry forward into 2021/22.
- Fleet – Supply chain delays have impacted on the delivery of items on order. Expenditure due on the purchase of waste collection vehicles has already been carried forward through the budget process. A number of vans unable to be delivered by the end of 2020/21 financial year were delivered in May 2021.
- Information Technology – The service ended the year in an overspend position compared to the updated budget. This is due to additional COVID-19 requirements for home working and £0.400 million of Scottish Government funded expenditure for enabling home learning in Education.
- Open Space - Circa £0.600 million of expenditure on cemeteries, Polson Park, Haddington Flood Scheme and Sports & Recreation LDP have been re-profiled as part of the 2021/22 budget process. Other projects in this area are ongoing and there are no issues to note.
- Roads Lighting and related assets – New COVID-19 working practices have had an impact on the volume of work which was able to be carried out in year. Cycling Walking and Safer Streets grant was increased during 2020/21 and a carry forward of £0.075 million has been agreed with Transport Scotland.
- Education Estate – significant re-profiling of budget aligned to the planned delivery of the projects in the future was undertaken during the 2021/22 budget process.
 - Letham Primary School was completed in financial year 2020/21 and pupils moved in early 2021.
 - Construction of North Berwick High School and Ross High School extensions commenced in the last quarter of 2020/21.
 - 1140 hours extension projects are progressing.

- Other Property Projects – there have been unavoidable delays in some projects generating a requirement for carry forward flexibility. A number of projects have been re-profiled as part of the 2021/22 budget process (e.g. Accelerating Growth, Prestongrange Museum and the Replacement Pathways Centre).
- 2.27 The current programme remains ambitious, aligned to the Council's approved Local Development Plan and City Deal requirements. COVID-19 will continue to have an impact on working practices in the future, and it has already been noted that recent tenders for works are showing an increase in costs. It is unknown when current issues in supply chains will improve but these implications will be kept under close monitoring and review during 2021/22.

Housing Revenue Account Summary – 31 March 2021

- 2.28 The Housing Revenue Account delivered a surplus of £3.226 million against a planned surplus of £3.237 million. Income was £360,000 lower than budget largely due to lower than planned house completions. The collective expenditure budgets were underspent by £349,000 largely due to savings in staffing, a reduction in the bad debt provision requirement and lower debt charges. This was partly offset by an increase in void rents, again impacted by the pandemic and repair costs reflecting the authority to charge fixed costs for Property Maintenance to the HRA.
- 2.29 In line with the financial strategy, the level of CFCR matched the full surplus generated by the HRA in order to help minimise the future impact of debt charges. The debt to income ratio for 2020/21 was 31%, within the 40% level set out in the financial strategy.
- 2.30 In terms of the HRA General Reserve as at 31 March 2021, there was no change in the HRA balance and it remains at £2.009 million. The Council did however receive a further £0.627 million in Housing capital receipts during the year, which related to capital expenditure previously incurred.
- 2.31 Details of the Housing Revenue Account capital budgets and expenditure to 31 March 2021 are set out in **Appendix 2f** of this report. The total capital budget approved for HRA was £33.540 million. The actual spend to 31 March 2021 was £21.223 million, 63% of the available budget, which is in line with the projected spend reported in the February 2021 report. The reason for the underspend is almost entirely due to delays in planned work arising from COVID-19.

Summary

- 2.32 In summary, during 2020/21 the Council has faced very significant challenges both in terms of supporting immediate COVID-19 crisis response, and the subsequent recurring financial impacts. Management of the Council's finances during the year has been extremely challenging, and whilst significant additional national funding and flexibility has been

made available, much of this was not been confirmed until very late in the year and has been ring-fenced to support specific policy response and provided on a non-recurring basis. This created a requirement for a complex and dynamic approach to effectively managing the wider financial position during 2020/21.

- 2.33 Despite better than anticipated in-year results, there remains very significant and on-going financial risks that the Council will need to manage carefully in support of the Council's on-going response and wider recovery and renewal interventions during 2021/22 and beyond. Many services continue to face increased demand and cost pressures resulting from both COVID and demographic impacts.
- 2.34 The Council has in place an approved Recovery and Renewal Framework focussed on five key activity areas; Education, Infrastructure, Health and Social Care, Economy and Communities, as well as a number of wider groups supporting the planned intervention. On-going management of COVID-19 interventions in terms of both response and recovery will need careful alignment between these key activity areas and available resources.
- 2.35 Despite the cost pressures, the Council will also need to harness potential opportunities arising from COVID-19, including how we can sustain the delivery of vital services to the community, and more effectively manage our wider assets. These opportunities will better support the delivery of approved policy commitments already within the approved budget, and taken collectively, will be key areas of focus during 2021/22 and beyond.

DRAFT for Council consideration prior to submission for audit

ANNUAL ACCOUNTS 2020-21



Sharing achievements
Delivering council priorities
Reporting on our financial position
Plans for the future

Contents

1	Narrative and Assurance Statements	3
2	Remuneration Report and Trade Union Activity	36
3	Main Statements	48
	Movement in Reserves Statement	49
	Comprehensive Income and Expenditure Statement	51
	Balance Sheet	53
	Cash Flow Statement	54
4	Notes to the Accounts	56
	East Lothian Council Notes	57
	Group Consolidation Notes	119
5	Other Accounts	124
	Housing Revenue Account	125
	Common Good and Trusts	127
	Council Tax and Non-Domestic Rates	137
6	Glossary of Terms	140

Narrative and assurance statements

Foreword by Head of Council Resources	4
Management Commentary	5
COVID-19	5
About East Lothian Council	5
Strategy and Priorities	7
2020/21 Highlights	8
COVID-19 – Recovery and Renewal	13
Financial Strategies	17
Financial Statements Overview	17
Financial Indicators	24
Risks	25
Statement of Responsibilities	28
Annual Governance Statement	29
Independent Auditors Report	32



1

Foreword by the Head of Finance

Welcome to the Annual Accounts for East Lothian Council for the year ended 31 March 2021. These have been produced to provide the public, Elected Members and other stakeholders with information concerning the financial management, administration and performance for the Council in the financial year 2020/21.

The management commentary, which accompanies the Annual Accounts, outlines:

- Who we are
- How we are organised to deliver priorities
- What our strategy and priorities are
- Our financial position for 2020/21
- Key aspects of our performance during 2020/21
- Our plans for the future.

Key Results of 2020/21

The impact of COVID-19 on services and funding streams is demonstrated in the financial statements. This included acting as agent for the Scottish Government in distributing a high value and volume of COVID-19 related grants to businesses and individuals. During 2020/21 the Council has responded positively to provide additional national intervention to support the wider community whilst at the same time prioritising critical Council services to those most in need.. The key financial results for the year were:

- Delivery of services during the pandemic with estimated COVID-19 related pressures of some £21 million, comprising additional costs and lower service income
- Delivery of capital investment of around £57 million to support increased investment in schools, roads and wider assets to support the communities in which we live;

- A significant increase in usable reserves, primarily attributable to additional Scottish Government funding to support COVID-19 pressures. Notably a substantive element of this funding is provided to support costs in 2021/22.

There remain significant financial challenges facing the Council, both immediately and beyond, with the long term impact of COVID-19 not yet fully determined. In particular the economic consequences of the tapering or removal of the furlough scheme; the effect on the setting of future Council Tax charges; and the future level of central government support for local services, and indeed the wider impact arising from increased service demand will all be critical factors affecting the Council. Additionally many of the underlying service provision cost pressures evident before COVID-19 continue to affect the Council.

The Council remains fully committed to find ways to explore how we can maintain high quality service provision through an enhanced approach to transformation, and a targeted partnership approach to support ongoing COVID response, but it remains clear that without a significant inject of additional resource, the Council will undoubtedly face a major challenge to maintain all services at existing levels and will have some very difficult choices to make if financial plans and budgets are to be balanced.

Acknowledgements: I would like to thank all officers involved across the Council for their continued hard work during the year to ensure the continued sound management of the Council's finances and the production of the statutory accounts.

Sarah Fortune (CPFA)
Head of Finance (CFO), East Lothian Council

Management Commentary

COVID-19

2020/21 has been dominated by the Coronavirus/ COVID-19 global pandemic which was declared in March 2020. The pandemic has been the biggest challenge our society has faced for many generations and has created unprecedented challenges for the Council, which has been operating in Business Continuity mode throughout 2020/21.

About East Lothian

East Lothian Council provides the county's c.107,000 residents with a wide range of services including education, adult and children's wellbeing, planning, economic development, roads, community housing, transportation, environmental health and food safety, trading standards, refuse collection and recycling, street cleaning, community learning and development, sports, recreation, parks and countryside, libraries, museums, registration of marriages, births and deaths, and burial grounds.

Around 4,800 (3,750 full-time equivalent) people work for the Council.

Each year the Council:

- educates around 14,500 pupils in our secondary and primary schools
- provides around 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
- looks after over 230 vulnerable children in care homes, foster care and other care settings

- recycles over 53% of domestic waste from the total of over 50,000 tonnes of waste collected from over 6.8m bins
- keeps open 139 council buildings including 30 public toilets and 12 libraries
- maintains 276 parks, pitches, play areas and burial grounds, over 920km of roads, and almost 19,000 street lights.

Political Structure

East Lothian Council has 22 elected councillors who are responsible for setting the Council policies that determine how services are delivered, and for setting the Council budget that determines how the Council's money is spent.

Following the May 2017 elections, the political make-up of the Council is nine Scottish Labour, seven Scottish Conservative and Unionist, and six Scottish National Party councillors and the Council is led by a minority Labour Administration.

Since March 2020 the Council has been operating within a series of unprecedented constraints, restrictions and implications associated with the COVID-19 pandemic. For a significant period, Council decision making was operating under delegated emergency powers although since August 2020, the vast majority of our governance arrangements have been reinstated, albeit largely working on a remote/virtual basis. Following consultation with the three political Group Leaders it was accepted that while the Council is in Business Continuity mode, Committee agendas would be restricted to essential and urgent business only. These arrangements continued throughout 2020/21.

Management Structure and Decision Making

Following the appointment of Monica Patterson as Chief Executive in February 2020, a new senior management structure was put in place during 2020/21. The Council's Management Team is made up of senior officers and is led by the Chief Executive, structured to cover three Directorates:

- Resources and People including Education, Children's Services and Council Resources
- Partnership and Communities covering Infrastructure, Development and wider Communities
- Health and Social Care Partnership

COVID-19 Management Arrangements

The COVID-19 pandemic is very different from any of the Civil Emergencies that have been experienced, planned for and rehearsed. East Lothian Council has and will continue to work fully within the Civil Contingencies Act 2004 (Contingency Planning) (Scotland) Regulations, 2005. As a Category 1 responder, the Council works closely with all Category 1 and 2 responders, particularly through the East Regional Resilience Partnership (RRP) and Lothian & Borders Local Resilience Partnership (LRP) Groups.

The COVID-19 Command and Response Structure determined by civil contingency and business continuity plans remained in place throughout 2020/21, with the Chief Executive designated as 'Gold Command'.

The Council Management Team held a weekly COVID-19 Response and Recovery Meeting. The Head of Communities is 'Silver Command' and leads the Council's COVID-19 Emergency Planning Response, supported

by the East Lothian Council COVID-19 and Concurrent Risks Oversight Group (COG) and supporting sub-groups.

The Executive Director Council Resources is 'Bronze Command', leading the COVID-19 Emergency Planning Recovery and Renewal and the approved Recovery and Renewal Framework. A Multi-agency Recovery & Renewal Co-ordinating Group (MARRCG) and various supporting sub groups continue to drive this work.

Council Management Team continue to oversee the COVID-19 Risk Register and monitor Business Critical Activities, with the COVID-19 Risk reported most recently within the Corporate Risk Register presented at the Audit and Governance Committee on 16 June 2020 and updated and reported again on 15 June 2021.

Scheme of Administration

The Scheme of Administration sets out the Council's governance arrangements. These include:

- Full council meetings take place every two months and are the focus for local democracy and carrying out the Council's statutory requirements, with an additional meeting to set the budget.
- Cabinet meets every two months and makes decisions on areas such as; policy, strategy, financial reporting and partnership working.
- There are two other service committees within the Council – Education and Planning.

Scrutiny of the performance, decisions and plans of the Council is carried out by Elected Members (who are not part of the Cabinet) through the Council's Audit and Governance Committee and Policy and Performance Review Committee. In addition, the Council has a Police, Fire and Rescue and Community Safety Scrutiny Committee which

scrutinises the performance of Police Scotland and the Scottish Fire and Rescue Service in East Lothian.

The East Lothian Integration Joint Board (IJB) was formally established on 1 July 2015. This is a partnership between East Lothian Council and NHS Lothian and was established in order to integrate how health and social care services are planned, commissioned and delivered since 1 April 2016.

Furthermore, scrutiny and inspection is carried out by external bodies including the Council's External Auditors (Audit Scotland) and national inspection agencies such as Education Scotland, the Scottish Housing Regulator and the Care Inspectorate.

The Council has adopted a Code of Corporate Good Governance based on the seven principles of good governance and the self-evaluation model outlined in The Chartered Institute of Public Finance and Accountancy (CIPFA) / SOLACE Guidance on Delivering Good Governance in Local Government. The results of the annual Corporate Governance self-evaluation are reported to the Audit and Governance Committee and form the basis of the Annual Governance Statement.

Strategy and Priorities

The [2017-2022 East Lothian Council Plan](#) sets out the Council's 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 strategic goals, which will make the biggest impact in delivering these themes and objectives. These include:

- 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.

Alongside the [2017-2022 East Lothian Council Plan](#), the Council has adopted strategic plans that set out how it will meet these challenges. These include a five year Financial Strategy; a [five year Capital Programme](#); an [Economic Development Strategy](#); a [Local Housing Strategy](#); a [Local Transport Strategy](#); a delivery plan for 1140 hours of early learning and childcare; an [Education Improvement Plan](#); and the [Integration Joint Board's Strategic Plan](#).

2020/21 Highlights

2020/21 has been dominated by the Coronavirus/ COVID-19 pandemic which was declared in March 2020. The pandemic has been the biggest challenge our society has faced for many generations. During 2020/21 over 2,700 East Lothian citizens were recorded through the official Public Health Scotland dashboard as having tested positive for Coronavirus and 108 Coronavirus deaths were recorded. These are significant under-recordings of the total number of people who contracted the virus (it is estimated that at least 3 times as many people will have contracted the virus than were tested positive) and many deaths resulting from people contracting the virus will not have been recorded through the Public Health Scotland data.

Business Continuity Plans were formally invoked by the Chief Executive across all services on 24 March 2020 and have stayed in place throughout 2020/21. Our strategy throughout has been to follow and support all relevant Scottish Government and Public Health Guidance and to ensure that the Council continues to provide essential business critical public services, minimising the impact of the developing COVID-19 outbreak, ensuring critical services are prioritised and that planning takes place for council services to recover and restart wherever possible/permitted. Our Business Continuity Plans and our Response and Recovery structures continued to flex to address the developing challenges brought from COVID-19 impact, national planning and any seasonal impacts.

The pandemic has had a significant impact on all council services. Front-line services such as, protective services, education and social services continued to provide essential services. 'Back office' services had to develop new processes and systems to distribute Business Support Grants and bank payments to families eligible for Free School Meals and set up a new COVID-19 helpline. Services working in partnership with community and third sector groups provided support

and assistance to over 3,600 people who were 'shielding' and thousands more who required help through lockdown.

Throughout 2020/21 and the various phases of lockdown, relaxation of lockdown, and then further lockdown all council staff who could work from home were asked to work from home and every effort was made to continue to deliver critical services with non-essential services (and buildings) mothballed in order to follow the advice and guidance issued by the Scottish Government.

The Council's response to COVID-19 has been driven by our three **ELC** values – Enabling, Leading and Caring.

Enabling – recognising that the Council cannot do everything itself, we have supported the vast voluntary effort that has risen up in all our communities.

Leading – the Council has led the response to the emergency in East Lothian. We have ensured that critical services continue to be delivered and have established, virtually overnight, critically important services to protect vulnerable children, older people and those most at risk from the virus.

Caring – throughout the emergency we have put the needs of the vulnerable in our society and our communities at the heart of our response.

The Council's response to COVID-19 has been built on the staff behaviours as set out in ***The East Lothian Way***.

WORKING TOGETHER – We collaborate with our partners, customers and colleagues to build strong and lasting relationships based on understanding, compassion, trust, integrity and mutual respect.

For example, Council services have worked very closely with Police Scotland in the enforcement of social distancing regulations and in managing the pressures caused by the influx of visitors to East Lothian's coast and countryside as lockdown eased.

BE THE BEST WE CAN BE – Staff take responsibility and use their initiative to deliver the highest quality of services as efficiently and effectively as possible.

For example, social care and social work staff continue to be on the front line delivering personal care to vulnerable individuals while maintaining relationships to help individuals, families and cared for young people to make positive changes. This has been particularly challenging over the last year with limited home visits and face to face contact and instead relying on phone calls to maintain contact.

INITIATE & EMBRACE CHANGE – The Council and its staff embrace the need for change and initiate new ways of working.

For example, many services have had to adapt the way they operate to enable staff to continue to provide services whilst working from home. Around 1,000 council staff have adapted to working from home over the last year, using Skype for meetings, new electronic forms and providing services and maintaining contact with the public and service users on a virtual rather than face-to-face basis.

MAKE THINGS HAPPEN – We plan and deliver our work effectively, making sure we understand needs and priorities.

For example, staff who could not do their normal job as their service was 'mothballed' were redeployed into different roles to support the effort to deliver critical and new services such as the Children's Hubs, support for Shielded People and the assessment and approval of Business Grant applications. Through the pandemic the Council has continued its

transformation programme, one feature of which was the development and launch of the new Online Customer Portal.

CUSTOMER FOCUSED – We put our customers at the heart of everything we do.

For example, at the start of the pandemic a dedicated COVID-19 helpline was set up to provide a dedicated telephone number for people requiring our support/referral to community resilience groups. The Council also set up dedicated COVID-19 webpages to provide key information, daily updates, guidance and advice about the pandemic and how the Council has been adapting its services to continue to provide the critical and emergency services that people rely on.

The unprecedented effort that the Council its staff and communities put in to responding to the pandemic and mitigating its negative impact on society, the economy and our communities is highlighted in the three case studies below.

Shielding People

Supporting people who are considered clinically vulnerable and have been identified as requiring to shield has been at the forefront of the pandemic response in East Lothian. The numbers of people shielding changed during the pandemic based on clinical advice and the addition and removal of clinical conditions that prompt eligibility. As of the 12 March 2021, 3,620 people in East Lothian were identified as 'shielded'; that equates to 3.2% of the population.

The Council set up a system and special team of staff from various services including the Contact Centre, Museums and Libraries to contact everyone who had been asked to shield to ensure they received the support they needed to self-isolate, including grocery and prescriptions delivered to their home.

The East Lothian public information **COVID-19 Helpline on 01875 824300** - operated through the Contact Centre - continued to be available for people to contact should they require any additional support throughout the pandemic.

A significant take up of support was evident in the first lock down in summer 2020, and additional resources across the Council and the community and voluntary sector were mobilised to respond to the emerging demand for access to food and pharmacy deliveries etc.

In the subsequent restriction periods as supermarket online shopping was made available, local community support projects were established, family and friends have been providing ongoing support along with an increased confidence and resilience in adapting to current advice, demand for support significantly reduced. In the week commencing 15 March 2021, only one person made contact through the COVID Helpline.

Business Support Grants

A major effort went into publicising, processing, administering and awarding the various grants that were made available to business throughout 2020/21. As at 31 March 2021 over £28.5M of Business Support has been delivered to East Lothian businesses. The table below shows the various grants that were made available and the total amounts that were distributed.

Payment	Amount (£)	Comments
Business Support Grants (April to 10 July 2020)	17,636,250	1,573 organisations supported, funding provided by Scottish Government
Newly Self Employed Hardship	216,000	108 Sole Traders supported by funding provided by Scottish Government
Soft play (One-off award, November 2020)	45,000	3 organisations supported, funding provided by Scottish Government
Scottish Government – Furlough Support Grant	107,250	65 Organisations supported with one-off £1,650 grants
(Brake period) Business Closure Grants (9 Oct - 3 Nov 2020)	375,150	123 organisations supported, funding provided by Scottish Government
(Brake period) Business Hardship Grants (9 Oct - 3 Nov 2020)	56,845	36 organisations supported, funding provided by Scottish Government
Strategic Framework (Closure & Restrictions & sector Top Ups combined) 3 Nov 2020 to date.	8,662,800	922 applications received 711 organisations currently being supported, funding provided by Scottish Government (Ongoing)
Taxi and Private Hire Driver Grants	210,000	140 Drivers supported with one-off £1,500 grants
East Lothian Discretionary Support Grant	618,000	Total 309 x £2k grants paid, (from 2 tranches). Further 70+ to be considered from final Tranche 3.

Payment	Amount (£)	Comments
Contingency Fund Plus (Breweries/Travel Agents & Indoor Football Centres)	90,000	Self-Declaration applications issued to 5 Breweries and 3 Travel Agents. (Thus far 3 Travel Agents and 4 Breweries paid.)
Accommodation Support Grant (Large Self-Accommodation/Exclusive Use/Bed and Breakfast Businesses)	216,000	17x Small Accommodation (Wave 1,2 & 3) supported with £6k grants 25x Large Self Catering Accommodation supported with £2k grants 6x Exclusive Use Businesses supported with £10k grants, (1x £4k)
TOTAL	£28,233,295	

The introduction of the Level 4 protective measures on 26 December 2020 drove a major increase in demand for the Strategic Framework Business Fund (SFBF) which up until then had been supporting a smaller number of businesses that had been required to either close or operate under restrictions.

A subsequent expansion in Business Support schemes being delivered by local authorities and the Enterprise Agencies to a wider range of business sectors during the following months saw additional temporary staffing resource deployed and existing staff temporarily re-assigned to administer a total of 18 separate grants assigned for Local Government delivery.

Supporting Vulnerable People and Communities

Throughout 2020/21 supporting individuals and communities that faced financial and food insecurity and growing levels of poverty was a key priority for the Council

Additional funding was made available from the Scottish Government to extend Free School Meal provision over the Easter, summer, mid-term and Christmas holidays. Whilst during the first of these periods lunch packs were provided, during subsequent periods the Council made payments in 'cash' via BACS.

The Council also received three tranches of funding from the Scottish Government to support people at risk including those isolating under Test and Protect, and families and households who are vulnerable for other reasons, to access food supplies or address financial insecurity related to COVID-19.

- £0.224m in March 2020
- £0.250m in June 2020
- £0.327m in October 2020

The first two tranches of funding were allocated principally through the Council's six areas to support the massive community effort to provide meals, food and other supplies to people who were shielding and an increasing number of people who were facing severe financial difficulty because of the economic impact of the pandemic. The number of people in East Lothian claiming Universal Credit doubled from February 2020 to May 2020.

The additional funding received by the Council was used in innovative ways to have maximum effect in supporting vulnerable people and people in poverty.

- A new Coronavirus Fuel Poverty Fund was created to help households who are under intense financial hardship during these uncertain times and are struggling to afford to heat their homes and keep the lights turned on. Almost 600 one-off payments of £100 were paid to people who need help with their gas or electricity charges.
- £75,000 was allocated to augment the Discretionary Housing Payment Fund to assist tenants with rent arrears who may be eligible for a Discretionary Housing payment (DHP) award or a top up of an existing award and have experienced new/increased rent arrears in 2020/21.
- Children's Services was allocated funding to support families and young people through Section 22 and Section 29 Social Work payments, supplementing income and cost of temporary B&B accommodation for Looked After Young People.
- £30,000 was allocated to Adult Social Work, to support vulnerable clients in financial difficulty. The funding was distributed via third sector partners including Carers of East Lothian as well as through the Community Justice and S12 Social Work payments.
- Almost £300,000 was allocated to the six Area Partnerships to tackle food insecurity through continuing to provide support for community based food initiatives. Examples of how this funding has been used include: creating food pantries in each area; supporting several Community Kitchens; the provision of meals, or soup and sandwich to hundreds of families and pensioners throughout 2020/21; and establishing the Fareshare Hub which provides food for over a dozen community food initiatives across East Lothian.

2020/21 Service Performance

As was highlighted above the pandemic has had a significant impact on all council services and has had a negative impact on the Council's performance as measured through its key performance indicators. With services mothballed or severely restricted and many staff re-directed to undertake business critical activities or develop and deliver new services (such as Business Support Grants) many of the Council's 2020/21 performance indicators have been negatively impacted.

The quarterly and annual performance indicators that have been most impacted by the pandemic include:

- Number of homelessness cases
- Community Payback Orders
- Number of vehicles accessing recycling centres
- All the economic development indicators
- Attendance at sports centres and pools
- Time taken to process new Housing Benefit claims
- In-year Non Domestic Rates and Council Tax collection rates

From late April 2020 the Council has been supplying the Scottish Government with weekly data for a COVID Data Dashboard. At one point this included over 20 indicators covering areas such as support for Shielded People, numbers of teachers, children and young people attending children's hubs, number of free school meals being provided in hubs or at home, Business Support Grants and adult and child protection cases.

With the easing of lockdown and the return of schools in August 2020 the amount of weekly data provided by the Council to the Scottish Government reduced significantly. However, the Improvement Service developed a weekly COVID-19 dashboard using national and publicly available data sources as well as council provided data to highlight some key input, output and outcome indicators of the impact of the pandemic. This weekly dashboard includes 25 indicators for which

various comparisons are available – Scottish average, Family Group (Deprivation), Family Group (Geography), and Family Group (Vulnerability).

The 25 indicators reported via the Improvement Service dashboard cover a wide range of critical services including Environmental Health and Trading Standards Business Advice and Enforcement Activity, Test and Protect calls, Scottish Welfare Fund, Discretionary Housing Payment, housing, adult and children’s social work, economic activity and education.

The Council and the Policy Performance Review Committee have received reports outlining how the Council has performed across these indicators.

The Council adopted a revised Continuous Improvement Framework ([Improvement to Excellence](#)) in March 2019. 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 report on how the Council has performed against these indicators in 2020/21 will be considered by the Council in autumn 2021. The report will also provide an update on the progress the Council has made in achieving the nine strategic goals set in the Council Plan:

- *Reduce unemployment*
- *Improve the employability of East Lothian’s workforce*
- *Reduce the attainment gap*
- *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*
- *Increase community and individual resilience*

- *Deliver transformational change*
- *Harness the opportunities that technology offers in the provision of services*

COVID-19 – Relaxation of Lockdown; Recovery, and Renewal

As we adapt to living with COVID-19 and move through the four phases of relaxation of lockdown set out in the Scottish Government’s route map the Council will also need to begin to prepare for recovery and renewal following the emergency. The Council’s approach will continue to follow key principles:

1. **To preserve life and protect vulnerable groups** will continue to be our fundamental purpose during the coming weeks and months.
2. **Ensure the response is proportionate and flexible**, working closely with our NHS, education, Police, third sector and business partners and our communities to support phased relaxation in line with national guidelines and regulations.
3. **Support Test, Trace, Isolate and Support – Test and Protect**, that will be essential to control the spread of the virus and avoid further peaks.
4. **Continue to support effective containment measures as appropriate to limit the spread of infection**, and work with citizens and communities to help them to take the appropriate actions such as keeping physical distance and strict hygiene rules.
5. **Ensure continued delivery of the Council’s critical services**, focusing most on those services which support and protect the most vulnerable in society.

6. **Bring non-critical services back on line at an appropriate level**, prioritising services that are critical to bringing our economy and communities back to normality, whilst we continue to live with COVID-19.
7. **Learn from and build on the new ways of working developed during lockdown**, ensuring that the efficiencies and more effective ways of working and delivering services become the 'new norm'. As we move forward we want, not simply to return to where we were, but to build on the innovative responses we have put in place to see us through the emergency.
8. **Provide advice and support to public and local businesses** to support long-term recovery of our local economy.
9. **Monitor the impact of the outbreak on the community and our services** to respond in a timely manner and plan recovery to ensure that East Lothian can recover as quickly as possible.
10. **Engage, and work with East Lothian residents and our partners across our communities and voluntary organisations** so we continue to meet the challenges set by COVID-19 and work together for a better East Lothian.

The Multi-Agency Recovery & Renewal Co-ordinating Group (MARRCG) oversees planning for and progress towards recovery and renewal. The MARRCG is supported by five sector specific Recovery and Renewal Groups covering:

- Economy
- Community
- Health and Social Care
- Education and Children's Services
- Environment and Infrastructure

A detailed Recovery and Renewal Framework has been put in place which provides for a steady state of preparedness to support increased recovery actions as and when Scottish Government imposed restrictions allow.

In practice this means that permitted recovery work has been managed and implemented by relevant service focused sub-groups such as The Education and Children's Services Recovery Group which has been actively managing the phased return to care and learning settings; The Connected Economies Group (CEG) which oversees both response and recovery interventions in respect of the Economy; and management of our countryside and coastline that is supported by the multi-agency Outdoor Open Space Management Group.

Version 1.6 of the Recovery and Renewal Framework contains updated Action Cards and was agreed at the MARRCG meeting on 15 March 2021, and is available within [the Members Library Service](#) (Item 35/21).

As lockdown restrictions continue to ease through 2021 the Council has begun planning for the deactivation of Business Continuity Plans when it is safe and appropriate to do so. All the Council's key activity areas will closely monitor the easing of restrictions and related operational implications on direct service delivery to our communities but also by giving due consideration and support to the return to the workplace that will embrace new ways of working, and will require extensive review on the most effective use of assets.

Informed by the Council Management Team's COVID-19 Initial Lessons Learned structured Debrief outputs, and from the Council's ongoing response to and recovery from the COVID-19 pandemic, current key areas of corporate policy and plans under review include:

Re-opening of Local Town Centres, Retail, Tourism and Hospitality: The Connected Economy Group (CEG) will oversee key milestones during release of lockdown restrictions and re-start activity including which will

see the wider re-opening of local centres and retail activity and components of the tourism and hospitality sector with control measures in place.

New Ways of Working: A cross service working group has been preparing advice and guidance on how the Council can encourage, support, and benefit from flexible home working and make it the norm for staff who are able to work from home. The working group has considered HR issues, including the development of the new Homeworking Policy; information technology and digital technology requirements; staff health and wellbeing; staff development; processes and procedures; supporting customers; and the use of council buildings.

The maximisation of benefits from flexible home working include: improved work life balance for staff; reducing the Council's carbon footprint to support achievement of the net zero emissions target; financial efficiencies; reduction in the Council's buildings and assets portfolio; and greater productivity from digitising processes.

Poverty Plan: A multi-agency Poverty Working Group has been established to review progress with the existing Poverty Plan and Child Poverty Action Plan and develop a new Poverty Plan.

Equality Plan: The Council and Integration Joint Board are reviewing their current Equality Plans (2017-2021) and are preparing draft new Equality Plans for 2021-25. The IJB has carried out consultation on new equality outcomes and the Council is using the results of this consultation to inform the development of new outcomes for the new plan.

Council Financial Strategy: the financial implications facing the Council in relation to the management of COVID-19 will continue to have significant implications for 2021-22 and beyond. Much of this will remain dependent on the ongoing national response and financial intervention provided to support COVID-19. The ongoing implications

may have a significant impact both in terms of current management of response and wider recovery, and this wider risk is recognised within the Council's approved Financial Strategy, and will continue to be a prominent feature in the financial management of the 2021-22 approved financial plans and the implications going forward.

Council Decision-Making: formal governance and decision making within the Council will be further reviewed to assess the earliest opportunity for the safe return of Elected Members and Officers to the Council Chamber although at this stage, it is not considered likely that this will be fully enabled this calendar year. Maximising digital provision, options to be considered will include both whole and partial physical return, with due consideration to a blended approach with some in attendance in person and others attending remotely. Consideration of this hybrid approach will however require investment in a suitable technical solution and options setting out the operational and financial implications will be brought back to Members when available.

Digital Strategy: digital capacity across the organisation has been at the heart of the Council's COVID-19 response, and will be so in respect of recovery and renewal – internal to the Council and in supporting digital inclusion across communities. A review of the Digital Strategy and Digital Inclusion Strategy will progress during 2021/22. Customer habits have changed, with 'channel shift' now an accepted part of people's work and home lives. The Council must grasp the opportunity to review its Customer Strategy and methods of customer access and service delivery, maximising the potential from digital service provision to help delivery of strategic priorities in respect of Climate Change, Asset Rationalisation and realisation of service transformation and necessary budgetary efficiencies.

Council Plan: The current Council Plan 2017-2022 and the East Lothian (Local Outcome Improvement Plan) 2017-2027 will need to be revised to take account of the 'lessons learned' and impact of COVID-19 on society, the economy and public health.

Work is underway to produce a new Strategic Needs Assessment that takes account of the impact of COVID-19 and identifies new priorities. This will also take into consideration the calls for action made in the Social Renewal Advisory Board's report, 'If Not Now, When?' and the Programme for Government of the new Scottish Government. The East Lothian Partnership and the Council will consider the new Strategic Needs Assessment and draft revised plans in the autumn. Area Partnerships will take these developments into account when revising Locality Plans in readiness for 2022/23.

The process of Recovery and Renewal will be underpinned by the Council's programme of transformation; embedding new ways of working across all services; delivering digital services based on our online customer platform; a radical re-appraisal of our assets; and, a

programme of root and branch service re-design to ensure services are customer focused, fit for purpose and efficient and effective.

As we recover from COVID-19 and set about renewing the Council, our economy and our communities we will grasp the opportunity, not to revert back to the way we were, but to move on to a new, positive future, as set out in the East Lothian vision:

"An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy that enables our people and communities to flourish."

Financial Strategies

Financial Strategy

The Council's Financial Strategy forms the platform for the Council's stewardship over taxpayer's funds. The strategy is refreshed each year to reflect any changes in the financial planning landscape and to ensure that the strategy remains appropriate. The most recent current strategy was approved by Council in December 2020 covering the five year period 2021-2026 and can be found in the [East Lothian Council meeting papers of 15 December 2020](#) (Agenda Item 4). Alongside this, and in line with the requirements set out within the Prudential Code, the Financial Strategy is supported by a Capital Strategy, also approved by the Council in December 2020, which supports the Council's capital and borrowing decisions.

The strategies are used to inform the development of financial plans and cover the General Services and Housing Revenue Account (HRA) financial plans, as well as the strategy for the use of the Council's reserves and the Capital Expenditure plan.

Treasury Strategy

The Council publishes an annual Treasury Management Strategy. This strategy links the Council's capital investment plans to its treasury management activities including borrowing and investment strategies. The report "Treasury Management Strategy 2021/22 – 2025/26" can be found in the [East Lothian Council meeting papers of 2 March 2021](#) (Agenda Item 3).

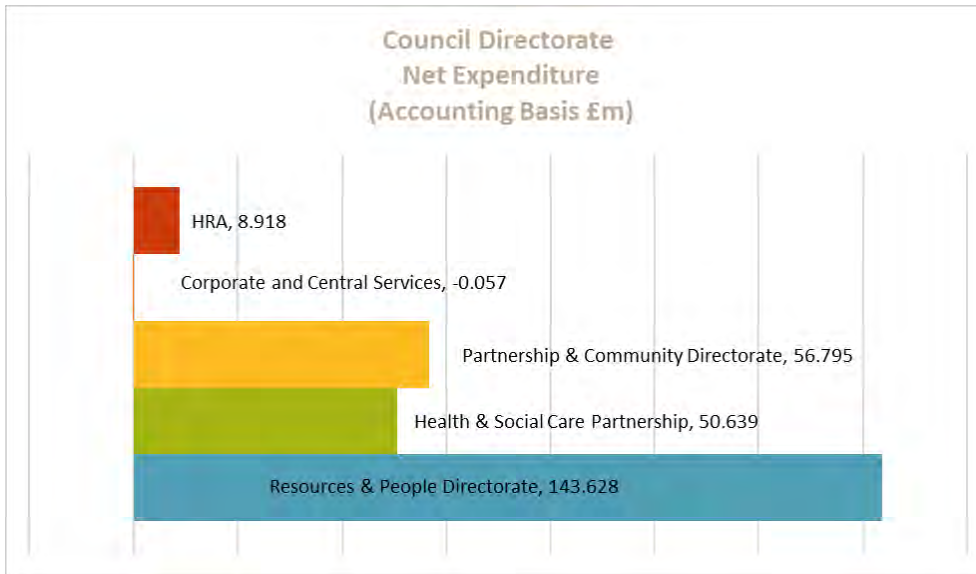
Financial Statements Overview

Provision of Services Income and Expenditure

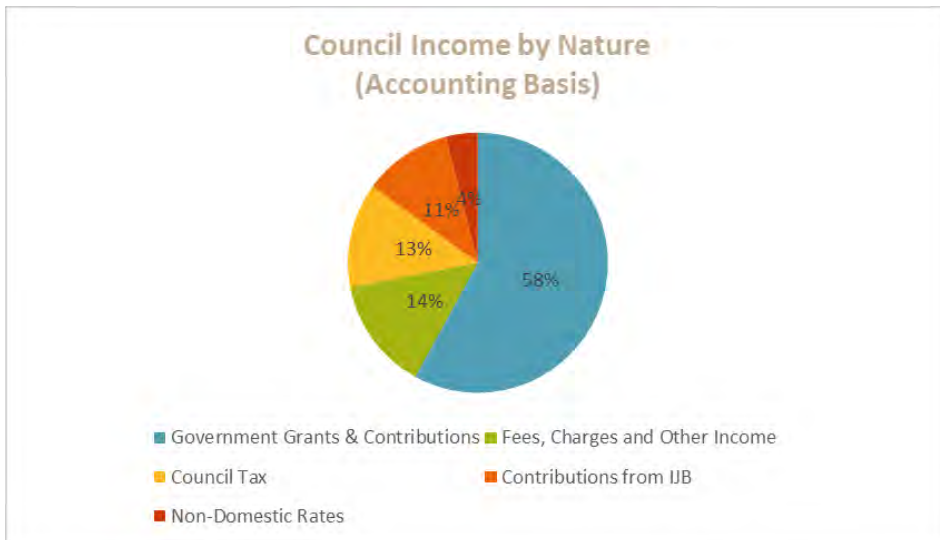
The net cost of service provision on an accounting basis in 2020/21 was £259.923 million, a 3.31% increase from 2019/20. This increase can be largely attributed to the impact of COVID-19. The consequences of COVID-19 have included changes to services provided, the manner of service provision, and reduction in income for services. A decrease of £14.563 million (20/21 £29.071 million; 2019/20 £43.634 million) in capital grants and contributions received is in part reflective of the impact of the pandemic. The full negative consequences have however been partially offset for 2020/21 by various central government funding streams for COVID-19 cost pressures, as well as the Council's own management actions.

The surplus on the provision of services, after applying funding to the cost of services, was £5.217 million (2019/: £2.862 million). The increase can generally be seen to be a reflection of the Scottish Government funding made available in 2020/21 to support services in 2020/21 and 2021/22.

The chart below shows service based net expenditure, after deducting service income, on a directorate basis.



The nature of income supporting council services, is shown in relative proportion in the following chart.



Expenditure and Funding Analysis

The financial performance in the financial statements is presented in accordance with accounting requirements. The legislative framework within which the Council operates means that statutory and other adjustments are applied in the Movement in Reserves Statement which affects the final balance of the Council's usable reserves.

The Expenditure and Funding Analysis (Note 6) provides a reconciliation between management reporting based net expenditure, and the accounting basis net expenditure provided in the Comprehensive Income and Expenditure Statement.

In order to align to the accounting presentation in the comprehensive income and expenditure statements, presentation adjustments are required to derive the figures in the first column of the expenditure and funding analysis (Note 6). These are summarised below:

	Outturn Report £000s	Use of Reserves	Presentation Adjusts £000s	EFA Column 1 £000s
Resources & People Directorate	139,667		(12,056)	127,611
Health & Social Care Partnership	55,404		(6,216)	49,188
Partnership & Community Directorate	45,300		(31)	45,269
Corporate and Central Services	(253,052)	210	262,954	10,112
HRA	-		(6,196)	(6,196)
Other Income and Expenditure	-		(238,455)	(238,455)
Cost of Services	(12,681)	210	-	(12,471)

The Council budgets and manages its financial controls based on the impact on usable reserves, including the effect of legislative requirements, and the financial performance for the year is further explained on that basis.

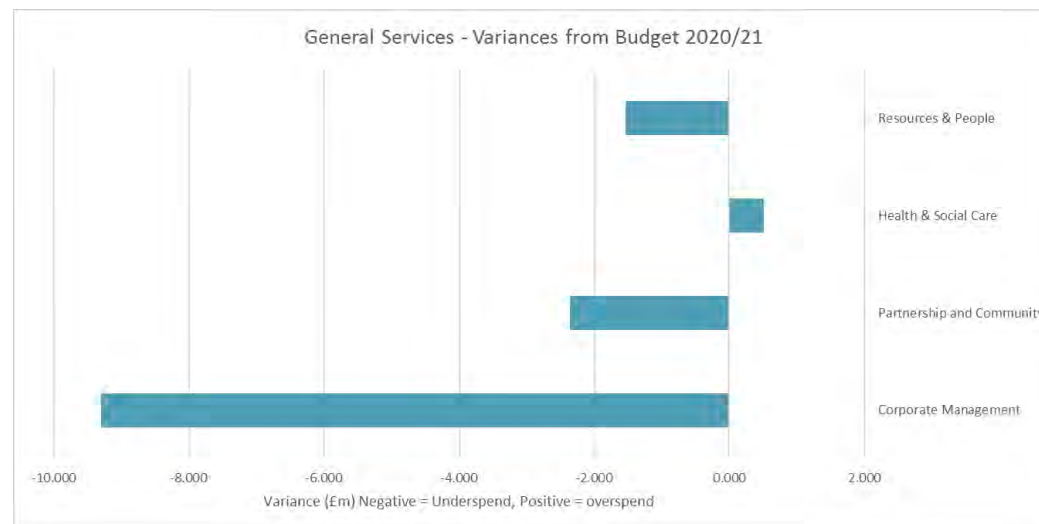
Management Reporting Outturn

Clearly the consequences of, and responses to, the COVID-19 pandemic have been significant and substantial in affecting the Council's finances. Cost pressures have arisen from responding to the needs of the people of East Lothian arising from COVID-19, amending working practices to maintain safety, and loss of income from a number of sources.

Combined with continuing to provide normal services to the public where possible, this would have resulted in a deficit (after statutory adjustments) of some £7.831 million. Primarily due to the decision of the Scottish Government to provide additional funding in 2020/21, and in advance of 2021/22, the Council has actually declared a surplus for 2020/21 of £12.471 million. Of this additional funding some £8.900 million is required by Government to be used to support recovery costs in 2021/22.

In addition to its normal duties, the Council took on the role of agent by distributing various COVID-19 grants to businesses and individuals in East Lothian on behalf of the Scottish Government. The grant funding, and cost of grants awarded, is excluded from the Council's income and expenditure on the basis that the Scottish Government controlled the eligibility criteria for the distribution of those grants. It also has a 'nil' net effect on the Council's outturn reporting and reserves position.

With the inclusion of Scottish Government COVID-19 related funding the management outturn variances against budget, on a directorate basis, are indicated in the following chart.



Detailed variances contributing to the outturn include:

- high tariff placements and fostering for children
- underlying cost pressures within Education for additional support for learning as well as COVID-19 driven costs, largely offset by funding flexibility permitted due to COVID-19
- COVID-19 related costs for social care under the remit of the integration partnership, mainly offset by additional government funding
- COVID-19 related funding for future years received as income in 2020/21

On a budgetary control basis the HRA delivered a balanced outturn since the funding contributed to in year capital expenditure was equated to the available statutory surplus for the year.

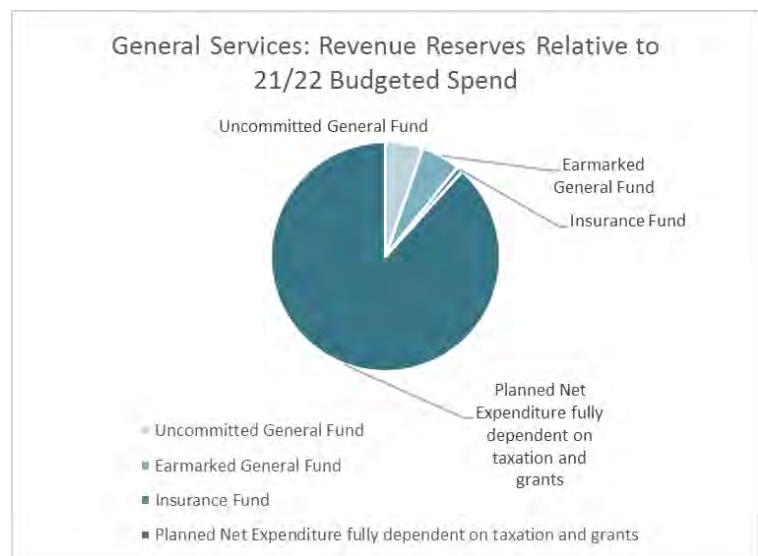
The accounting result for the year, including charges for depreciation, impairment and the HRA's share of corporate items was a deficit on HRA services for the year of £9.336 million (2019/20: £7.392 million).

Reserves

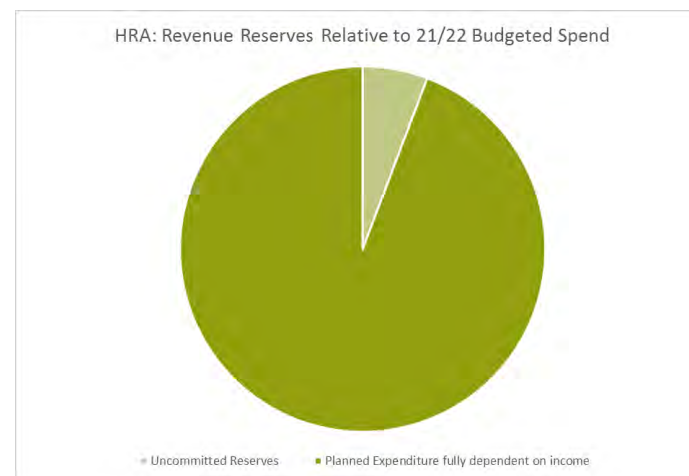
At 31 March 2021 the Council had total usable reserves, including HRA and capital, of £38.089 million (2019/20: £21.130 million). This includes £35.089 million for the total General Services reserves and £2.009 million for HRA. A significant factor in the General Services reserves increase is additional Scottish Government funding in 2020/21 to support the financial pressures arising from COVID-19 in 2020/21 and 2021/22.

For general services revenue expenditure purposes the financial results for the year, in combination with the statutory framework applicable to local government reserves, has resulted in a specific General Fund balance of £28.328 million (2019/20: £16.154 million).

The following chart shows the level of reserves in comparison to planned expenditure for 2021/22. It illustrates the importance of ongoing taxation and grant income to support council services.



The Housing Revenue Account balance at 31 March stands at £2.009 million (2019/20: £2.009 million), above the strategic target minimum balance of £1 million. Maintenance of the balance was achieved by adjusting the funding contributed to in year capital expenditure to match the available statutory surplus for the year. The following chart shows the level of reserves compared to planned expenditure in 2021/22.



Balance Sheet

The net assets for the Council have increased by £63.894m or 16.7% (2019/20: £43.011 million, 12.7%). Changes include:

- Property, plant and equipment and other non-current assets show a net increase of £112 million. Additions of £57 million (2019/20: £72 million) reflected spend on assets by the Council. Additionally revaluation gains of £97 million (2019/20: £6 million) recognised in the Revaluation Reserve augmented the increase in asset values. This can be attributed to the revised valuations reflecting the cost of replacing the services of existing assets, including an allowance for the increased cost of asset construction since the previous valuation cycle. These

increases were partially offset by depreciation, impairment and other revaluation changes of £41 million (2019/20 £55 million). Due to the impact of COVID-19 a [RICS practice alert](#) indicates there may be restrictions and an increased level of uncertainty affecting asset valuations.

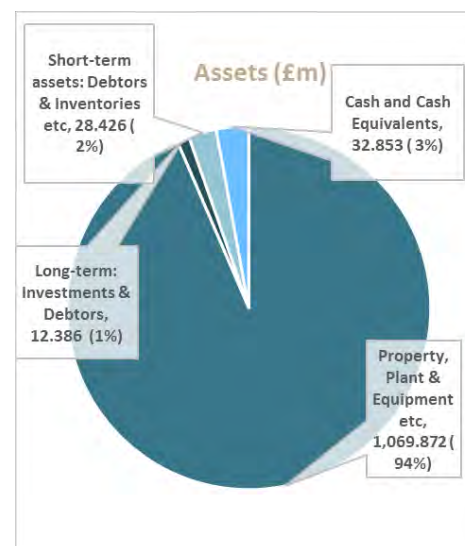
- Net pension liabilities increased by £49m (2019/20: £31 million decrease) to £196 million. Changes in estimates used for the calculations, such as a lower discount rate for liability calculations and pension payment increases, are the primary reasons, increasing the liability by some £159 million (2019/20: decrease £79 million). This increase was offset by a positive return on fund assets of £83 million (2019/20: loss of £41 million). Amendments to demographic assumptions, such as the time duration for which each pension will be payable, also helped to offset some £33 million (2019/20: nil) of the liability increases, reflecting the results of the 2020 triennial review of the Lothian local government pension fund.
- Cash and cash equivalents increased by £2 million. Cash flows varied through the year, with initial cash outflows arising, for example in distributing grants to businesses. A borrowing arrangement of £10m ensured cash flow was maintained. Towards the end of the year more cash inflows arose, for example central government funding and cash to compensate for grants distributed by the Council. The Council therefore ended the year with robust cash balances for the settlement of its obligations.
- Liabilities, excluding pensions, increased by £3 million (2019/20: £13 million), with long-term liabilities reducing by £23 million, and short term liabilities increased by some £26 million, part of which is an increase in grants and contributions received in advance.
- Other short-term assets increased by £4 million (2019/20: £11.582 million). This is largely attributable to increased short-term debtor balances for income, such as grants and Council Tax income.

The charts below illustrate the relative proportions of the Council’s assets, liabilities and reserves. Reserves represent the extent of assets over which the Council has control after liabilities are accounted for. Unusable reserves relate to legislative or accounting requirements which mean that they are not available to use to support service delivery.

For example the increase in the Revaluation Reserve in 2020/21 primarily relates to revaluations which reflect increases in the cost of acquiring or constructing assets which would be incurred if the services of those assets were bought at current prices. Those gains however are regarded as ‘unrealised’ and are therefore unusable for the funding of service provision.

Usable reserves however reflect the reserves available for the Council to consider and apply within both its Financial Strategy and budget setting processes.

Some usable reserves, including those relating to capital receipts, can have restrictions upon their use which affect the Council’s options regarding application.





Capital

Key to delivering our outcomes for our communities and supporting the wider economy is the investment which the Council makes in capital infrastructure including our school estate and wider asset base, as well as our housing stock.

In total, during 2020/21 the Council provided capital investment of around £57 million. Some of the significant capital projects delivered in 2020/21 include:

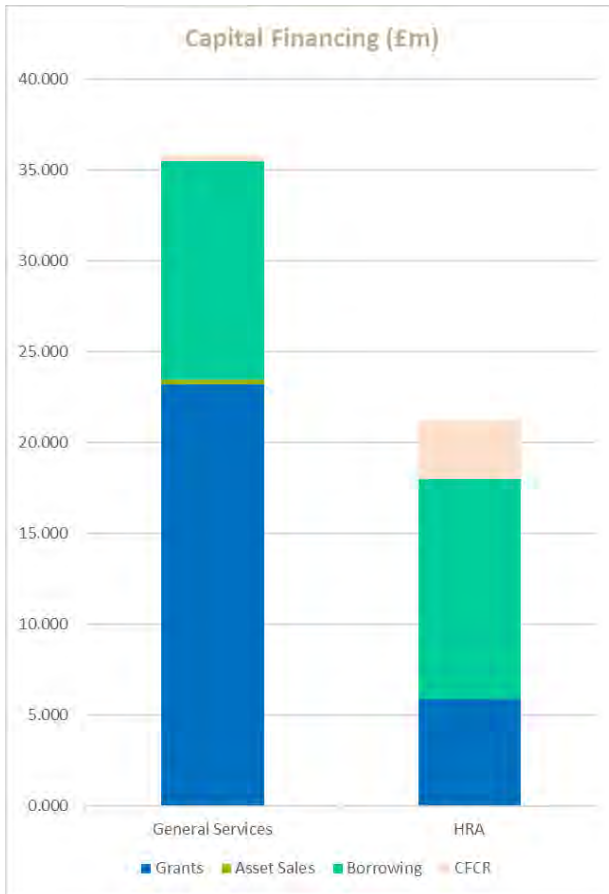
- New Letham Mains Primary School completion
- Progression of design and works in preparation for the extended provision of Early Learning
- Investment in the Council's roads infrastructure of around £7 million
- Additions to the Council's active housing stock and assets of around £21m million

In relation to General Services most of the underspend of some £62 million, compared to the approved budget, relates to re-profiling of projects into future years. As well as the initial impact of the lockdown on the construction sector in the earlier part of the financial year, further ongoing consequences, including amended working practices and supply chain challenges, have caused project delays. Investment in Information Technology to support alternative working arrangements has also featured.

The HRA capital programme delivered an underspend of £12 million against the planned budget during 2020/21. Delays due to COVID-19 are the primary and substantive reason for the extent of the underspend.

The Council can borrow to finance capital spend, however, the total gross capital expenditure is first offset by income received during the year. The graph shows the split of financing for capital spend between borrowing, grants, asset sales, capital funded from current revenue (CFCR) and any other.

In general any asset sales need to be used to finance future capital spending or the statutory repayment of debt. Legislation changes allow the Council, up to 31 March 2022, to designate the use of these funds to be used to fund transformational projects that will result in future cost savings.



The Council's Group

The Council also supports and promotes services for the people of East Lothian through its group arrangements.

The Council has overall stewardship responsibilities for common good funds, a number of trust funds, and effective control of other entities. These are included as subsidiaries in the group accounts.

The Council also has significant influence over the activities of some entities, and these are included as associates, with the Council's share of their net expenditure and net assets reflected in the group accounts.

Additionally the Council has 50% control of the East Lothian Integration Joint Board, which is classed as a joint venture.

The group financial performance largely reflects that of the authority as a single entity. A key exception however is that the group position and performance is affected by the market of investments held by Common Good and Trust Funds. The group benefitted from a significant increase in the value of investments in the year. This is largely attributable to the recovery of the financial markets after the initial impact of COVID-19 on investments. Losses however were incurred on the sale of some investments in 2020/21.

Other Performance Indicators

The Council published an Annual Performance Report in October 2019 outlining its performance for the previous financial year. The Council also publishes up-to-date performance results via its [performance website](#).

Best Value Assurance Report

In 2018 Audit Scotland performed a 'Best Value Assurance Report' (BVAR) on East Lothian Council. The report highlights that governance arrangements, decision-making processes, leadership and scrutiny have improved since the previous report in 2007. The full report is available on the Council's [Best Value Report webpage](#).

The Council created an Improvement Plan based on recommendations and actions identified by the BVAR and the Council's Corporate Governance Self-Evaluation.

The plan includes areas such as: workforce planning; reviewing performance indicators; report formats; implementation of the improvement framework; community engagement; transformational change and focus on children and young people in East Lothian.

Financial Indicators

The Financial Indicator table includes various key statistics regarding the Council's overall performance.

2019/20 £000s / % / Days	Financial Indicator	2020/21 £000s / % / Days	Commentary
20.18%	Council Tax funding to overall level of taxation and non-specific grant funding	20.64%	Reflects the overall percentage of East Lothian Council funding from local taxation.
96.54%	In year Council Tax collection rate	94.92%	Reflects East Lothian Council's effectiveness in collecting Council Tax.
99.04%	In year NDR collection rate	98.16%	Reflects East Lothian Council's effectiveness in collecting NDR debt.
457,290	Capital Financing Requirement	84,973	The Council's underlying need to borrow.
(480,010)	External Debt Levels (Financial Liabilities per Note 24 to the financial statements)	(479,432)	The Council's actual levels of external debt and long term liabilities.
101.79%	Overall General Fund (excl HRA) actual net expenditure compared to planned, as a percentage of the original expenditure budget.	95.47%	How closely expenditure compares to the set net expenditure budget for the year.
1.59%	Uncommitted General Fund balance as a % of next year's net expenditure budget before application of taxation based funding and use of reserves.	5.29%	Reflects the amount of funding available to manage unplanned events.
768	Sundry debtors collection: Average number of days of overdue debts	718	Reflects how promptly monies owed to the Council for sundry debts are collected.

Risks

In keeping with the Council's [Risk Management Strategy](#), the Corporate Risk Register is reviewed annually and reported to Cabinet. The Council's Risk Register ([available on the Audit and Governance Committee June 2021 webpage](#), Item 9) details all of the Council's risks, categorising them from Very High to Low Risk. The following risk table

summarises the Very High and High risks and the ways the Council is attempting to mitigate the risks.

Medium risk is tolerable with control measures that are cost effective and low risk is broadly acceptable without any further action to reduce the risk.

Risk	Risk Level	Corporate Risk Summary Key Mitigation steps
COVID19	High	ELC (East Lothian Council) has been proactively communicating, and encouraging compliance with all government and public health authorities' advice to reduce the impact and spread of misinformation by relying on information from trusted sources e.g. NHS, Public Health Scotland and Scottish Government. The Council has a COVID-19 and Concurrent Risks Oversight Group which oversees the cross service COVID-19 response planning and operational service delivery, considering implications of any relaxation of lockdown on ongoing service response, responding to Scotland's Strategic Framework and overseeing the work of a number of sub-groups which are covered in more detail within the full COVID Risk Register.
Climate Emergency	High	Implementation and delivery of actions set out in the Climate Change Strategy.
Britain's Exit From the EU	High	ELC has appointed a strategic and tactical level Lead Officer to keep an oversight on ongoing EU Exit developments. The wider ramifications of the decision to leave the European Union are yet to be fully realised and felt in the national and local economy. Whilst there will be some opportunities there is also uncertainty that may affect areas of the economy, financial markets, interest and exchange rates, construction, grants from the EU, Investment and other non-financial aspects.
Managing the Financial Environment	High	ELC has developed substantial medium term financial planning arrangements, a five year Financial Strategy; Three year General Services Revenue Budgets; Five year General Services Capital and HRA budgets; Enhancing in year monitoring, continued scrutiny and challenge of longer term efficiency measures. Exploring options to maximise income generation for the Council.
Information Security and Data Protection	High	ELC uses the international standard ISO 27001:2017 as the framework for its ISM system and the Council takes measures to avoid breaches of law, statutory, regulatory or contractual obligations (including the DP Act 2018, GDPR and Public Records (Scotland) Act 2011). The Council has reviewed and updated its Data Protection Policy.
Limitation (Childhood Abuse) (Scotland) Bill	High	Risk management includes Child Abuse Claims Group and SCAI Overview Group – East Lothian co-ordination of responses, reported strategically, managed flow and collaboration. The Council recognises that this could result in a potential liability to the authority, however the likelihood of such a liability which might arise from historic or current cases cannot be quantified. The potential liability is disclosed as a contingent liability in the Council's accounts.
Flooding and Coastal Erosion	High	As part of a Flood Protection Scheme, studies and plans for prioritised actions have been undertaken.
Expansion of Early Learning and Childcare (ELCC) to 1140 hours	High	Scottish Government is implementing plans to expand ELCC to 1140 hours and have confirmed a revised statutory implementation date of August 2021. Scottish Government have given flexibility in the use of the 1140hrs revenue funding for Education COVID-19 expenses and our current rollout of the programme is being managed within the budget available. The Council continues to develop and implement detailed plans and work with Scottish Government (SG) to take forward the expansion. Project board and associated working groups are in place and meet regularly to monitor progress
Duty of Care and Protection	High	The East and Midlothian Public Protection Committee (EMPPC) incorporates the Adult Protection Committee, Child Protection Committee, Offender Management Committee and Violence Against Women Partnership and ensures robust links with Midlothian and East Lothian Drug and Alcohol Partnership (MELDAP). EMPPC has oversight of Public Protection work and performance across East Lothian and Midlothian Councils and Partnerships.

The Management Commentary is authorised
by:

[to be signed for audited accounts]

Monica Patterson
Chief Executive

Willie Innes
Council Leader
or
Norman Hampshire
Deputy Council Leader

Sarah Fortune (CPFA)
Head of Finance (CFO)

Statement of Responsibilities for the Statement of Accounts

The Authority's responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer of the authority has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). In this authority, that officer is the Head of Finance who is the designated Chief Finance Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- Approve the Annual Accounts for signature.

I confirm that these Annual Accounts were approved for signature by the Audit and Governance Committee at its meeting on xx October 2021.

Signed on behalf of East Lothian Council.

[to be signed for audited accounts] Willie Innes
Council Leader *or*
Norman Hampshire
Deputy Council Leader

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the authority's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Accounting Code').

In preparing the Annual Accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgments and estimates that were reasonable and prudent.
- Complied with legislation.
- Complied with the local authority Accounting Code (in so far as it is compatible with legislation).

The Chief Finance Officer has also:

- Kept adequate accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Chief Finance Officer's Certification

I certify that the financial statements give a true and fair view of the financial position of the Council (and its group) at the reporting date and the transactions of the Council (and its group) for the year ended 31 March 2021.

Sarah Fortune (CPFA)
Head of Finance (CFO)
June 2021

Annual Governance Statement

East Lothian Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council also has a duty under the Local Government (Scotland) Act 2003 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In addition there is a duty on the Council to conduct, at least annually, a review of the effectiveness of the system of internal controls.

The governance framework comprises the systems and processes, culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives and to

consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically. East Lothian Council carries out these duties in a number of ways as set out below.

Annual Self-Evaluation of Corporate Governance

The 2021 corporate governance self-evaluation has found that East Lothian Council continues to have good governance and control arrangements in place across the seven corporate good practice principles. Since March 2020 the Covid-19 emergency provided a serious and prolonged test for the Council's risk management and business continuity frameworks. The Business

Continuity Plans that were invoked as the UK and Scottish Governments declared the COVID-19 public health emergency on 23rd March 2020 have provided the basis for the Council's response to the emergency and the 'lockdown' measures imposed by Government.

There have been many examples of service redesign, technology and culture change being rapidly embraced to deliver critical services to the community. The Council's ELC values – Enabling, Leading and Caring – and the East Lothian Way behaviours have underpinned the Council and council staff response to the emergency.

The Council has implemented amended governance arrangements, significant investment, new ways of decision-making, leadership and implementation including virtual meetings, conference calls, and systems remote access and authorisation processes. Control environments have been at increased risk for short periods of time whilst appropriate controls have been implemented. Lessons learned have been captured throughout the year with process improvements implemented. Recovery processes are active and being implemented as guidance allows.

The Council's governance self-evaluation has identified several areas for further development and improvement, but just as importantly, has re-affirmed that it will continue to review and benchmark its practices and policies to build on existing good practice and improvement actions already being implemented, in order to ensure the Council continues its progress from continuous improvement through to excellence.

Declaration of Assurance

All Chief Officers are asked to sign a Declaration of Assurance which either confirms that internal financial controls are operating satisfactorily in their service or provides details of issues to highlight.

All Chief Officers provided assurance that, to the best of their knowledge and understanding, the Internal Financial Controls in their areas operated satisfactorily, including control changes enforced by the pandemic, although some areas were identified where controls could be improved and these are currently being explored.

Internal Audit Review

The Council's review of governance arrangements is informed by a number of sources including the work of Internal Audit. The Council maintains an Internal Audit service which operates in accordance with

the Public Sector Internal Audit Standards. The Service Manager-Internal Audit reports annually to the Audit and Governance Committee on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. The agenda and minutes of this meeting can be accessed on the [Audit and Governance Committee webpages](#).

All internal audit reports into service areas include recommendations, agreed actions and an implementation date. During 2019/20 areas identified with scope for improvement included the following:

- The controls in place for the prevention and detection of duplicate payments.
- Completeness and accuracy of the underlying records within services to allow for appropriate accounting for fixed assets.
- Maintenance of appropriate audit trails for authorisation and completion of procurement processes, and a need for formal contract management processes.
- Implementation of a clear framework across services for the maintenance of digital records.
- Continued formal review and approval of policies, procedures and plans, and maintenance of training processes for all procedures.

Internal Audit follows up on all recommendations made in previously issued

audit reports to ensure that they have been implemented as agreed by Management. In 2020/21 follow-up reports were submitted to the Audit and Governance Committee on Management actions taken in respect of Area Partnerships, Creditors Duplicate Payments, Direct Payments, EU Exit, Fostering & Kinship Care, Homecare, Payroll Deductions, Residential & Non Residential Care Charging, and Risk Management. The follow-up work highlighted that the majority of recommendations made had been implemented and that action was being taken towards the outstanding recommendations.

The Internal Audit function also gives an assurance statement on the effectiveness of the system of internal controls within the Council. This was reported to the June 2021 meeting of the Audit and Governance Committee. For 2020/21, Internal Audit has concluded that subject to a number of areas for improvement which are outlined below, reasonable assurance can be placed on the overall adequacy and effectiveness of East Lothian Council's framework of governance, risk management and control for the year ended 31 March 2021. Those areas which have been identified with scope for improvement include:

- Payroll procedures are required to be refreshed and control processes

- consistently operated to continue to ensure accurate payments;
- Transformation programme processes require to be updated to ensure they comply with best practice in programme and project management;
 - Increased focus of resources on cybersecurity control measures are required to ensure continued mitigation of increased risks;
 - Complete policy and procedures and consistent delivery of control processes for Residential and Non-residential care charging is required to ensure operation of effective charging and recovery processes.

Plans are in place to review these areas and consider appropriate actions for improvement during 2021/22.

In addition to full audit reviews, assurance reports covering areas of significant change as a result of COVID-19 have been issued to

the Audit and Governance Committee, in the following areas: Business Grants, Supplier Relief, Rent Deferment, Non Domestic Rates, Residential Care – Financial Reassessments.

Statement on the role of the Chief Finance Officer

In 2016 the Chartered Institute of Public Finance and Accountancy (CIPFA) issued a revised statement on the role of the Chief Finance Officer (CFO) in public service organisations. The statement sets out the principles that define the core activities and behaviours that are key to the role of the CFO in public sector organisations. For each principle the statement sets out the governance arrangements required within an organisation to ensure that CFOs are able to operate effectively and perform their core duties. The Council is able to confirm that, in all major regards, it conforms with the governance arrangements of the CIPFA statement.

Results

It is our opinion that reasonable assurance can be placed on the governance and control arrangements within East Lothian Council and its Group during 2020/21.

[to be signed for audited accounts]

Monica Patterson
Chief Executive

Willie Innes
Council Leader *or*
Norman Hampshire Deputy Council Leader

Sarah Fortune (CPFA)
Head of Finance (CFO)

Independent auditor's report to the members of East Lothian Council and the Accounts Commission

Report on the audit of the financial statements

Note: The Independent auditor's report will be included following the conclusion of the external audit process and the signing of the accounts, expected to be completed in October 2021.

These accounts are subject to the Public Inspection process.

Any person interested may object to the accounts or to any part of those accounts, no later than 22 July 2021 by:

- *Sending their objection by e-mail to GWoolman@audit-scotland.gov.uk*
- *Sending a copy of that objection and statement to the authority and to any officer of the authority who may be concerned, both at the office of the Chief Financial Officer – Resources and People Services, John Muir House, Brewery Park, Haddington, East Lothian, EH41 3HA or by email to businessfinance@eastlothian.gov.uk*

This page is reserved for the auditor's report on completion of the audit process.

This page is reserved for the auditor's report on completion of the audit process

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Remuneration report and trade union activity

2

Remuneration Report	37
Remuneration of Councillors	37
Senior Councillors' Remuneration	38
Senior Officer Remuneration	39
Subsidiary Bodies	41
Pension Benefits	44
Pension Benefits Senior Councillors	44
Pension Benefits Senior Employees	45
Termination Benefits	46
Exit Packages	46
Trade Union Facility Time	47

Remuneration Report

Introduction

The Remuneration Report has been prepared in accordance with the Local Authority Accounts (Scotland) Regulations 2014. These regulations require Local Authorities in Scotland to prepare a Remuneration Report as part of the annual statutory accounts. The following information in this Remuneration Report has been audited by Audit Scotland.

- Senior Councillor Remuneration on page 38
- Senior Officer Remuneration on page 40
- Pay Bandings information on page 39
- Pension Benefits information for Senior Councillors and Officers on pages 42 to 45.

The other sections of the Remuneration Report have been reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

Remuneration of Councillors

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183 and SSI No. 2020/26). The Regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the

Council, the Provost, Senior Councillors or Councillors.

The Leader of the Council and the Provost cannot be the same person for the purposes of payment of remuneration. A senior councillor is a councillor who holds a significant position of responsibility in the Council's political management structure. The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2020/21 the salary for the Leader of East Lothian Council is £29,760. The Regulations also permit the Council to remunerate one Civic Head or Provost. The regulations set out the maximum salary that may be paid to that Civic Head. Council policy is to pay at the national maximum.

The Regulations also set out the remuneration that may be paid to senior councillors and the total number of senior councillors the Council may have. The maximum yearly amount that may be paid to a Senior Councillor is 75 per cent of the total yearly amount payable to the Leader of the Council. The total yearly amount payable by the Council for remuneration of all of its Senior Councillors (excluding the Leader and Civic Head/Provost) shall not exceed £180,783.

The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors and their salary within these maximum limits. The Council's policy is to set these within the national maximum limits as set out above. The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those Councillors who elect to become members.

In addition to the Senior Councillors of the Council the regulations also set out the remuneration payable to councillors with the responsibility of a Convenor or a Vice-Convenor of a Joint Board such as a Police Joint Board. The Regulations require the remuneration to be paid by the Council of which the convenor or vice-convenor (as the case may be) is a member. The Council is also required to pay any pension contributions arising from the convenor or vice-convenor being a member of the Local Government Pension Scheme.

The Council is reimbursed by the Joint Board for any additional remuneration paid to the member from being a convenor or vice-convenor of a Joint Board.

Senior Councillors' Remuneration

Salary, Fees and Allowances 2019/20 £	Taxable Expenses 2019/20 £	Total 2019/20 £	Annualised Salary 2019/20 £	Name	Office Held as at 31 March 2021	Salary, Fees and Allowances 2020/21 £	Taxable Expenses 2020/21 £	Total 2020/21 £	Annualised Salary 2020/21 £
29,119	-	29,119	29,119	Willie Innes	Leader of the Council and Cabinet Spokesperson for Community Planning	29,760	-	29,760	29,760
22,840	2,248	25,088	21,840	Norman Hampshire	Depute Leader and Cabinet Spokesperson for Environment	23,320	-	23,320	22,320
21,840	-	21,840	21,840	John McMillan	Provost and Cabinet Spokesperson for Economic Development & Tourism	22,320	-	22,320	22,320
21,840	776	22,616	21,840	Andy Forrest	Depute Provost	22,320	-	22,320	22,320
21,840	-	21,840	21,840	Shamin Akhtar	Cabinet Spokesperson for Education and Children's Services (to 22/2/21) then Cabinet Spokesperson for Health and Social Care (from 23/2/21)	22,320	-	22,320	22,320
21,840	2,045	23,885	21,840	Jim Goodfellow	Cabinet Spokesperson for Housing and Community Wellbeing	22,320	-	22,320	22,320
21,840	990	22,830	21,840	Fiona O'Donnell	Cabinet Spokesperson for Health & Social Care (to 22/2/21)	20,061	-	20,061	-
-	-	-	-	Fiona Dugdale	Cabinet Spokesperson for Education and Children's Services (from 23/2/21)	2,259	-	2,259	22,320
-	-	-	-	Lachlan Bruce	Leader of the Opposition (from 25/8/20)	13,020	-	13,020	22,320
21,840	-	21,840	21,840	Jane Henderson	Leader of the Opposition (to 24/8/20)	9,300	-	9,300	-
182,999	6,059	189,058	181,999	Total		187,000	-	187,000	186,000

Total Councillors' Remuneration

An allowance of £1,000 was paid to Norman Hampshire in his capacity as APSE Regional Advisory Group Chair.

The annual return of councillors' salaries and expenses for 2020/21 is available to view from the Council's ['payments to councillors' webpage](#).

2019/20 £	Type of Councillors' Remuneration	2020/21 £
424,700	Salaries	435,955
1,000	Allowances	1,000
23,258	Expenses	5,769
448,958	Total	442,724

Senior Officer Remuneration

The Council's employees receiving more than £50,000 remuneration for the year, excluding pension contributions, were paid the amounts shown in the Officers' Salary Brackets table.

The Regulations require disclosure of remuneration information for 'relevant' persons. These include senior officers i.e. those senior employees who meet one or more of the following criteria:

- Has responsibility for the management of the local authority, to the extent that the person has power to direct or control the major activities of the authority, whether solely or collectively with other persons
- Holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989
- Annual remuneration, including any annual remuneration from a local authority subsidiary body is £150,000 or more.

The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Executives of Scottish local authorities.

A formal review of the Chief Officer structure has recently been undertaken with a new structure at Executive and Council Management Team levels approved at a meeting of the full Council held in October 2020

2019/20	Officers' Salary Brackets	2020/21
78	£50,000 - £54,999	88
61	£55,000 - £59,999	57
30	£60,000 - £64,999	29
18	£65,000 - £69,999	18
1	£70,000 - £74,999	6
2	£75,000 - £79,999	1
5	£80,000 - £84,999	5
2	£85,000 - £89,999	2
4	£90,000 - £94,999	5
-	£95,000 - £99,999	3
-	£100,000 - £104,999	1
2	£105,000 - £109,999	-
-	£110,000 - £114,999	-
-	£115,000 - £119,999	1
203	Total	216

During 2020/21 the Council paid the following amounts to senior employees:

Salary, Fees and Allowances	Taxable Expenses	Total	Name	Post Title	Salary, Fees and Allowances	Taxable Expenses	Total
2019/20 £	2019/20 £	2019/20 £			2020/21 £	2020/21 £	2020/21 £
81,752	244	81,996	Angela Leitch	Chief Executive (to 26/11/2019)	-	-	-
106,013	318	106,331	Monica Patterson	Chief Executive (from 03/02/2020)	118,971	-	118,971
105,941	-	105,941	Alex McCrorie	Depute Chief Executive-Resources & People Services (to 21/3/21)	104,529	-	104,529
96,194	145	96,339	Jim Lamond	Head of Council Resources (to 13/12/20) then Executive Director - Council Resources (from 14/12/20)	97,956	-	97,956
91,746	-	91,746	Douglas Proudfoot	Head of Development (to 13/12/20) then Executive Director - Place (from 14/12/20)	97,956	-	97,956
81,377	-	81,377	Lesley Brown**	Chief Operating Officer - Education (to 30/08/20); then Head of Education & Children's Services (to 13/12/20); then Executive Director - Education & Children's Services	95,391	-	95,391
91,746	104	91,850	Thomas Reid	Head of Infrastructure	93,932	-	93,932
91,196	490	91,686	Sharon Saunders	Head of Communities & Partnerships	93,932	-	93,932
38,979	135	39,114	Iain Gorman*	Head of Operations (from 28/10/2019) Post 100% funded by NHS Lothian	92,257	-	92,257
73,406	349	73,755	Fiona Robertson	Head of Education (until 19/1/20)	-	-	-
79,165	-	79,165	Sarah Fortune	Chief Operating Officer - Finance (to 13/12/20) then Head of Finance (from 14/12/20)	85,238	-	85,238
67,429	179	67,608	Judith Tait**	Chief Operating Officer - Children's Services (from 3/6/19 to 13/12/20) then Head of Children's Services (from 14/12/20)	87,803	-	87,803
1,004,944	1,964	1,006,908	Total		967,965	-	967,965

*- Post 100% funded by NHS Lothian

** - Includes Higher Duties Allowance payments of £2,565

The salary, fees and allowances for senior officers include any payments made in respect of election roles. During 2020/21, all Heads of Service were paid £93,932 (full time equivalent) and all Chief Operating Officers £81,540 (full time equivalent).

Following the recent formal review of the Chief Officer structure the role of Chief

Subsidiary Bodies

Separate disclosure of the remuneration and pension benefits of senior posts held in the Council subsidiary companies, where appropriate, is outlined in the table below. The remuneration arrangements for these respective subsidiaries are determined solely by the subsidiary bodies.

The management of Musselburgh Racecourse transferred to a new company, Musselburgh Racecourse Ltd, on 24/6/20 and from that date the Racecourse is no

Operating Officer has been removed in order to create a flatter, more efficient and agile Corporate Management Team structure.

The Council has agreed to pay a share of the post of Director of East Lothian Health and Social Care Partnership. The costs are shared on a 50/50 basis with NHS Lothian. All

longer deemed a subsidiary body. The figures below are based on the period 1/4/20 to 23/6/20 and are shown on a pro-rata basis.

The non-cash benefits for 2020/21 include a P11D benefit of £16,703 for car and fuel benefit and £694 for private medical insurance. Figures adjusted on a pro-rata basis.

The General Manager of Musselburgh Racecourse was not a member of the

payroll and pension arrangements for this post are administered by NHS Lothian.

During 2020/21 the Council paid £65,812 (including on-costs) as our shared cost of this post. Alison MacDonald was appointed to this post in July 2018.

Council's defined benefit pension scheme, although he received employer's pension contributions equivalent to 10% of pensionable salary on an annual basis. For 2020/21 this totalled £2,772 on a pro-rata basis (19/20 - £12,023).

No Councillor receives remuneration from any of the Council's subsidiary bodies.

2019/20				Name	Post Title	2020/21			
Salary	Expenses & Allowances	Non-Cash Benefits	Total			Salary	Expenses & Allowances	Non-Cash Benefits	Total
£	£	£	£		£	£	£	£	
121,226	-	17,383	138,609	William Farnsworth	General Manager Musselburgh Racecourse (to 23/6/20)	27,719	-	4,004	31,723

Pension Benefits

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS).

Councillors' pension benefits are based on career average pay. The Councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the change in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends.

The total of the revalued pay is then divided by the period of membership, to calculate the career average pay; this is the value used to calculate the pension benefits.

From 1 April 2015 the LGPS for local government employees transferred to a career average scheme. This means that pension benefits are built up each year based on the pensionable pay for that year. This is then added to the individual's pension account. At the end of each year the amount in the pension account will be adjusted in line with the cost of living - currently the rate of the Consumer Price Index - to ensure it keeps its value.

The scheme's normal retirement age for both councillors and employees is State Pension Age.

From 1 April 2009 a five tier contribution system was introduced with contributions from scheme members being based on how much pay falls into each tier. This was intended to strengthen the relationship between the cost and benefits of scheme

membership. Prior to 2009 contribution rates were set at 6% for all non-manual employees.

If a person works part-time, their contribution rate is based on actual pensionable pay.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum, up to the limit set by the Finance Act 2009. Between 1 April 2009 and 31 March 2015 the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service. Prior to this the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80^{ths} of final pensionable salary and years of pensionable service. From 1 April 2015 the accrual rate is 1/49th of pensionable pay in each year.

The value of the accrued benefits has been calculated on the basis of the age at which the person will first become entitled to receive a full pension on retirement without reduction on account of its payment at that age; without exercising any option to commute pension entitlement into a lump

sum; and without any adjustment for the effects of future inflation.

The estimated pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, and not just their current appointment. These are based on

information available to the Council. The Lothian Pension Fund administers these pensions and holds information that is not available to the Council at the date of this statement. Should this information become available to the Council, updated figures will be published.

2019/20			2020/21		
Range	Rate	Whole Time Pay	Range	Rate	
£			£		
22,441	5.50%	On earnings up to and including	22,852	5.50%	
22,442 - 26,990	5.60% - 5.80%	On earnings above	22,853 - 27,443	5.60% - 5.80%	
26,991 - 36,652	5.90% - 6.50%	On earnings above	27,444 - 37,262	5.90% - 6.50%	
36,653 - 49,489	6.60% - 7.30%	On earnings above	37,263 - 50,306	6.60% - 7.30%	
49,490	7.40% - 11.20%	On earnings above	50,307	7.40% - 11.20%	

Pension Benefits - Senior Councillors

The estimated pension entitlements for Senior Councillors for the year to 31 March 2021 are shown in the table below, together with the contribution made by the Council during the year.

Name	Office Held as at 31 March 2021	Pension Contributions		Accrued Pension Benefits			
		For Year to 31 March 2020	For Year to 31 March 2021	As at 31 March 2021		Difference from 31 March 2020	
				Pension	Lump Sum	Pension	Lump Sum
£	£	£000s	£000s	£000s	£000s		
Willie Innes	Leader of the Council and Cabinet Spokesperson for Community Planning	6,494	6,758	7	2	1	-
Norman Hampshire	Cabinet Spokesperson for Environment and also Depute Leader of the Council	5,093	5,317	6	2	1	-
John McMillan	Provost and Cabinet Spokesperson for Economic Development & Tourism	4,870	5,089	4	-	1	-
Andy Forrest	Depute Provost	4,870	5,089	5	2	-	1
Shamin Akhtar	Cabinet Spokesperson for Education and Children's Services (to 22/2/21) then Cabinet Spokesperson for Health and Social Care (from 23/2/21)	4,870	5,089	4	-	1	-
Jim Goodfellow	Cabinet Spokesperson for Housing and Community Wellbeing	4,870	5,089	4	-	1	-
Fiona O'Donnell	Cabinet Spokesperson for Health & Social Care (to 22/2/21)	4,870	4,986	2	-	1	-
Fiona Dugdale	Cabinet Spokesperson for Education and Children's Services (from 23/2/21)	-	4,174	1	-	-	-
Lachlan Bruce	Leader of the Opposition (from 25/8/20)	-	4,684	1	-	1	-
Jane Henderson	Leader of the Opposition (to 24/8/20)	4,870	4,476	2	-	1	-
Total		40,807	50,751	36	6	8	1

Pension Benefits - Senior Employees

The estimated pension entitlements for senior employees for the year to 31 March 2021 are shown in the table below, together with the contribution made by the Council during the year.

Name	Post title	Pension Contributions		Accrued Pension Benefits			
		For Year to 31 March 2020 £	For Year to 31 March 2021 £	As at 31 March 2021 Pension £000s	Lump Sum £000s	Difference from 31 March 2020	
						Pension £000s	Lump Sum £000s
Angela Leitch	Chief Executive (to 26/11/19)	17,541	-	-	-	-	-
Angela Leitch	Returning Officer (to 26/11/19)	690	-	-	-	-	-
Monica Patterson	Chief Executive (from 3/2/20)	23,580	26,868	64	117	8	12
Alex McCrorie *	Depute Chief Executive - Resources & People Services (to 21/3/21)	-	-	22	67	-	1
Sharon Saunders	Head of Communities & Partnerships	20,337	21,417	42	63	3	2
Fiona Robertson*	Head of Education (until 19/1/20)	16,291	-	-	-	-	-
Douglas Proudfoot	Head of Development (to 13/12/20) then Executive Director - Place (from 14/12/20)	20,337	22,185	44	84	4	5
Lesley Brown*	Chief Operating Officer - Education (to 30/08/20); then Head of Education & Children's Services (to 13/12/20); then Executive Director - Education & Children's Services	18,043	21,597	5	-	5	-
Thomas Reid	Head of Infrastructure	20,337	21,417	35	50	2	(1)
Jim Lamond	Head of Council Resources (to 13/12/20) then Executive Director - Council Resources (from 14/12/20)	20,337	22,185	48	80	5	6
Iain Gorman **	Head of Operations (from 28/10/2019)	8,692	21,035	-	-	-	-
Sarah Fortune	Chief Operating Officer - Finance (to 13/12/20) then Head of Finance (from 14/12/20)	17,654	19,297	22	15	2	-
Judith Tait **	Chief Operating Officer - Children's Services (from 3/6/19 to 13/12/20) then Head of Children's Services (from 14/12/20)	14,993	19,886	-	-	-	-
Total		198,832	195,887	282	476	29	25

* - Member no longer active in the pension scheme

** - Less than 2 years membership so no entitlement to pension benefits

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer

of those benefits or when the authority recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant

accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Exit Packages

Exit Packages 2019/20					Exit Packages 2020/21				
Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number by Cost Band	Total Cost of Exit Packages		Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number by Cost Band	Total Cost of Exit Packages	
			£000s	Cost Banding				£000s	
2	4	6	82	£0 - £20,000	-	1	1	14	
-	1	1	23	£20,001 - £40,000	-	1	1	23	
2	5	7	105	Total	-	2	2	37	

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table above for 2020/21, with comparative figures for 2019/20.

Trade Union Facility Time

From April 2017, the Council is now required to publish details of Trade Union facility time incurred during the year. The proportion of salary spent on facility time can be found below. Further information is available on the [Trade Union Facility Time webpage](#).

Percentage of Pay Bill Spent on Facility Time

2019/20		Percentage of pay bill spent on facility time	2020/21	
Non-Education Staff	Education Staff		Non-Education Staff	Education Staff
£90,561	£40,043	Total cost of facility time	£83,803	£37,558
£95,743,248	£57,130,060	Total pay bill	£99,512,888	£61,331,603
0.09%	0.07%	Percentage of the total pay bill spent on facility time	0.08%	0.06%

[to be signed for audited accounts]

Monica Patterson
Chief Executive

Willie Innes
Council Leader
Or
Norman Hampshire
Deputy Council Leader

Sarah Fortune (CPFA)
Head of Finance (CFO)

Main statements

Movement in Group Reserves Statement	49
Group Comprehensive Income & Expenditure Statement	51
Reconciliation between Council & Group Surplus / Deficit	52
Group Balance Sheet	53
Group Cash Flow	54



3

Group Movement in Reserves Statement

The Movement in Reserves Statement (MiRS) shows the movement from the start to the end of the year on the different reserves held by the authority, analysed into 'usable reserves' i.e. those that can be applied to fund expenditure or reduce local taxation and other 'unusable reserves'.

The Statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the adjustments required to return to the amounts chargeable to Council Tax (or rents) for the year.

Transfers to or from other statutory reserves, as a result of decisions by the Council, are separately identified in the statement.

The "(Increase)/Decrease in Year" line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments. This statement also presents the movement in the year in the different reserves held by the combined group i.e. the Council, its associate companies, and subsidiaries.

Movement in Reserves Statement For the Year Ended 31 March 2021	General Fund Balance	Capital Grants & Receipts Unapplied	Capital Receipts Reserve	Insurance Fund	Housing Revenue Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Group Usable Reserves	Group Unusable Reserves	Total Group Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 31 March 2020	(16,154)	(245)	(713)	(2,009)	(2,009)	(21,130)	(361,387)	(382,517)	(35,757)	(365,007)	(400,764)
Opening Balances Adjustments	-	-	-	-	-	-	1	1	(1,417)	(119)	(1,536)
Restated Opening Balance	(16,154)	(245)	(713)	(2,009)	(2,009)	(21,130)	(361,386)	(382,516)	(37,174)	(365,126)	(402,300)
Total Comprehensive Expenditure and Income	(14,553)	-	-	-	9,336	(5,217)	(58,678)	(63,895)	(9,998)	(58,752)	(68,750)
Depreciation charged to the Revaluation Reserve	(7,466)	-	-	-	(2,607)	(10,073)	10,073	-	(10,220)	10,220	-
Adjustments Between Group Accounts and Authority Accounts	-	-	-	-	-	-	-	-	(108)	-	(108)
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 7)	9,548	-	(1,488)	-	(6,729)	1,331	(1,331)	-	1,891	(1,891)	-
Transfers to/from Other Statutory Reserves	297	-	-	(297)	-	-	-	-	-	-	-
(Increase)/Decrease in Year	(12,174)	-	(1,488)	(297)	-	(13,959)	(49,936)	(63,895)	(18,435)	(50,423)	(68,858)
Balance at 31 March 2021 Carried Forward	(28,328)	(245)	(2,201)	(2,306)	(2,009)	(35,089)	(411,322)	(446,411)	(55,609)	(415,549)	(471,158)

Movement in Reserves Statement For the Year Ended 31 March 2020	General Fund Balance	Capital Grants & Receipts Unapplied	Capital Receipts Reserve	Insurance Fund	Housing Revenue Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves	Group Usable Reserves	Group Unusable Reserves	Total Group Reserves
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Balance at 31 March 2019	(12,766)	(245)	(4,600)	(1,821)	(6,068)	(25,500)	(314,006)	(339,506)	(39,919)	(318,581)	(358,500)
Opening Balances Adjustments	-	-	-	-	-	-	-	-	269	494	763
Restated Opening Balance	(12,766)	(245)	(4,600)	(1,821)	(6,068)	(25,500)	(314,006)	(339,506)	(39,650)	(318,087)	(357,737)
Total Comprehensive Expenditure and Income	(10,254)	-	-	-	7,392	(2,862)	(40,149)	(43,011)	(1,781)	(41,246)	(43,027)
Depreciation charged to the Revaluation Reserve	(7,507)	-	-	-	(3,062)	(10,569)	10,569	-	(10,690)	10,690	-
Adjustments Between Accounting Basis & Funding Basis Under Regulations (Note 7)	14,185	-	3,887	-	(271)	17,801	(17,801)	-	16,364	(16,364)	-
Transfers to/from Other Statutory Reserves	188	-	-	(188)	-	-	-	-	-	-	-
(Increase)/Decrease in Year	(3,388)	-	3,887	(188)	4,059	4,370	(47,381)	(43,011)	3,893	(46,920)	(43,027)
Balance at 31 March 2020 Carried Forward	(16,154)	(245)	(713)	(2,009)	(2,009)	(21,130)	(361,387)	(382,517)	(35,757)	(365,007)	(400,764)

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- Depreciation or amortisation attributable to the assets used by the relevant service
- Revaluation and impairment losses attributable on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.

The authority is not required to raise Council Tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement, equal to an amount calculated on a prudent basis determined by the authority in accordance with the Statutory Repayment of Loans Fund Advances (Scotland). Depreciation, revaluation and impairment losses, and amortisation are therefore replaced by the contribution in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the MiRS for the difference between the two.

Group Comprehensive Income and Expenditure Statement

The Group Comprehensive Income and Expenditure Statement (CIES) shows the accounting cost in the year of providing services in accordance with generally accepted accounting practice, rather than the amount to be funded from taxation (or rents). Authorities raise taxation to cover expenditure in accordance with statute and regulations; this may be different from accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis (EFA) and the MiRS.

2019/20			2019/20	Comprehensive Income and Expenditure Statement	2020/21			2020/21
Gross Spend £000s	Gross Income £000s	Net Spend £000s	Group Net Spend £000s		Gross Spend £000s	Gross Income £000s	Net Spend £000s	Group Net Spend £000s
155,026	(14,047)	140,979	140,967	Resources & People Directorate	163,328	(19,700)	143,628	143,677
113,944	(64,508)	49,436	49,436	Health & Social Care Partnership	119,666	(69,027)	50,639	50,639
72,795	(15,285)	57,510	57,910	Partnership & Community Directorate	74,868	(18,073)	56,795	56,650
13,248	(18,159)	(4,911)	(4,911)	Corporate and Central Services	17,933	(17,990)	(57)	(57)
40,210	(31,638)	8,572	8,572	HRA	45,389	(36,471)	8,918	8,918
395,223	(143,637)	251,586	251,974	Cost of Services	421,184	(161,261)	259,923	259,827
				Other Income & Expenditure				
		(1,051)	(1,051)	Other Operating Expenditure			(856)	(856)
		20,315	20,871	Financing & Investment			19,551	18,026
		(273,712)	(273,712)	Taxation and Non Specific Grant Income			(283,835)	(283,836)
		-	137	Share of the Surplus (or Deficit) on the Provision of Services by Associates			-	(3,159)
		(2,862)	(1,781)	(Surplus) on Provision of Services			(5,217)	(9,998)
		2,990	2,307	(Surplus)/Deficit on Revaluation of Non-Current Assets			(100,898)	(101,352)
		-	-	Impairment losses on assets charged to the revaluation reserve			3,799	3,799
		399	399	(Surplus)/Deficit from Investments in Equity Instruments Designated at Fair Value Through Other Comprehensive Income			1,845	1,838
		(43,538)	(43,538)	Actuarial (Gain) or Loss on Pension Assets/Liabilities			36,576	36,576
		-	(414)	Share of Other Comprehensive Income and Expenditure of Associates			-	387
		(40,149)	(41,246)	Other Comprehensive (Income) and Expenditure			(58,678)	(58,752)
		(43,011)	(43,027)	Total Comprehensive (Income) and Expenditure			(63,895)	(68,750)

The CIES shows the results for the entire East Lothian Group, including the Council, its associates and subsidiaries. The impact of this is shown in the Reconciliation below.

The Health and Social Care Partnership service segment within the statement includes contributions to, and service commissioning income received from, The East Lothian Integration Joint Board (IJB) in line with guidance.

Reconciliation of the Council Surplus / Deficit to the Group Surplus / Deficit

This statement shows how the deficit on the Council's single entity Comprehensive Income and Expenditure Statement reconciles to the deficit for the year for the Group.

2019/20 £000s	Reconciliation of the Council Surplus / Deficit to the Group Surplus / Deficit	2020/21 £000s
(2,862)	Deficit for the Year on Authority Comprehensive Income & Expenditure Account	(5,217)
137	Associates	(3,159)
944	Subsidiaries	(1,622)
(1,781)	(Surplus) / Deficit for the Year on the Group Income & Expenditure Account	(9,998)

Group Balance Sheet

The Balance Sheet shows the value as at 31 March 2021 of the assets and liabilities recognised by the authority. The net assets of the authority are matched by the reserves held by the authority. Reserves are reported in two categories:

Usable Reserves are those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use.

Unusable Reserves are those that the authority is not able to use to provide services, including reserves that hold unrealised gains and losses, where amounts would only become available to provide services if the assets are sold. It also includes reserves that hold timing differences.

The Balance Sheet also shows the consolidated assets and liabilities of the entire East Lothian Group.

The unaudited accounts were issued on 29 June 2021.

Sarah Fortune (CPFA)
Head of Finance (CFO)
June 2021

31 March 2020 Authority £000s	31 March 2020 Group £000s	Balance Sheet	Note	31 March 2021 Authority £000s	31 March 2021 Group £000s
955,837	961,480	Property, Plant & Equipment	12	1,067,674	1,073,880
709	709	Intangible Assets	14	1,146	1,146
1,052	1,052	Heritage Assets	15	1,052	1,052
5,030	10,451	Long Term Investments	21	3,184	9,924
-	590	Investments in Associates	21	-	4,701
9,725	9,762	Long Term Debtors	22	9,202	9,366
972,353	984,044	Long Term Assets		1,082,258	1,100,069
-	16	Short Term Investments		-	-
701	701	Assets Held for Sale	16	575	575
1,867	1,867	Inventories	23	959	959
21,644	22,377	Short Term Debtors	24	26,892	26,921
30,786	31,417	Cash and Cash Equivalents		32,853	33,478
54,998	56,378	Current Assets		61,279	61,933
(18,841)	(19,016)	Short Term Borrowing	25	(32,306)	(32,306)
(42,226)	(37,442)	Short Term Creditors	26	(48,510)	(42,763)
-	-	Short Term Provisions	27	-	-
(10,213)	(10,213)	Capital Grants Receipts in Advance	33	(16,407)	(16,407)
(71,280)	(66,671)	Current Liabilities		(97,223)	(91,476)
(459)	(459)	Provisions	27	(920)	(920)
(366,621)	(366,531)	Long Term Borrowing	25	(345,822)	(345,743)
(59,766)	(59,289)	Other Long Term Liabilities	28	(57,107)	(56,651)
(146,708)	(146,708)	Pension Liability	29	(196,054)	(196,054)
(573,554)	(572,987)	Long Term Liabilities		(599,903)	(599,368)
382,517	400,764	Net Assets		446,411	471,158
(21,130)	(35,757)	Usable Reserves	30	(35,089)	(55,609)
(361,387)	(365,007)	Unusable Reserves	31	(411,322)	(415,549)
(382,517)	(400,764)	Total Reserves		(446,411)	(471,158)

Group Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the

extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital to the authority.

The cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the authority's cash management.

Group Cash Flow includes the cash flows of the Council and its subsidiary companies.

2019/20 Authority £000s Restated	2019/20 Group £000s Restated	Cash Flow Statement	Note	2020/21 Authority £000s	2020/21 Group £000s
Operating Activities					
(2,862)	(1,781)	Net Deficit on the Provision of Services		(5,217)	(9,998)
(71,207)	(72,422)	Adjustments to Net Surplus or Deficit on the Provision of Services for Non-Cash Movements	35	(56,117)	(51,614)
44,720	44,718	Adjustments for Items Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	36	30,559	30,559
(29,349)	(29,485)	Net Cash Flows from Operating Activities		(30,775)	(31,053)
Investing Activities					
75,915	75,915	Purchase of Property, Plant and Equipment		55,630	55,915
-	-	Proceeds from Short Term Investments		-	-
(39,795)	(39,795)	Other Receipts from Investing Activities		(34,261)	(34,262)
(1,086)	(1,086)	Proceeds from the Sale of Property, Plant and Equipment		(1,488)	(1,488)
35,034	35,034	Net Cash Flows from Investing Activities		19,881	20,165
Financing Activities					
(60,005)	(60,005)	Cash Receipts of Short and Long Term Borrowing		(10,000)	(10,000)
1,348	1,348	Cash Payments for the Reduction of the Outstanding Liability Relating to Finance Lease and On-Balance Sheet PFI Contracts		1,545	1,545
37,945	37,945	Repayments of Short and Long Term Borrowing		17,282	17,282
-	-	New Loans Made		-	-
(20,712)	(20,712)	Net Cash Flows from Financing Activities		8,827	8,827
(15,027)	(15,163)	Net (Increase) in Cash and Cash Equivalents		(2,067)	(2,061)
15,759	16,254	Cash and Cash Equivalents at the Beginning of the Reporting Period		30,786	31,417
15,027	15,163	Increase (Decrease) in Cash & Cash Equivalents per above		2,067	2,061
30,786	31,417	Cash and Cash Equivalents at the End of the Reporting Period		32,853	33,478

Notes to the group accounts

Note 1: General Accounting Policies	57	Note 22: Long Term Debtors	87
Note 2: Accounting Standards Not Yet Adopted	60	Note 23: Inventories	88
Note 3: Critical Judgements Applied	60	Note 24: Short Term Debtors	89
Note 4: Future Assumptions	60	Note 25: Financial Instruments	90
Note 5: Other Income and Expenditure Items	62	Note 26: Short Term Creditors	97
Note 6: Expenditure and Funding Analysis	63	Note 27: Provisions and Contingent Liabilities	98
Note 7: Adjustments between Accounting and Funding Basis under Regulations	70	Note 28: Long Term Liabilities	99
Note 8: Taxation and Non-Specific Grant Income	71	Note 29: Defined Benefit Pension Schemes	100
Note 9: Agency Income and Expenditure	71	Note 30: Usable Reserves	107
Note 10: Audit Costs	72	Note 31: Unusable Reserves	108
Note 11: Related Parties	72	Note 32: Earmarked Reserves	113
Note 12: Property, Plant and Equipment Movements	75	Note 33: Capital Grant Receipts in Advance	113
Note 13: Property, Plant and Equipment	76	Note 34: Grant Income	114
Note 14 Intangible Assets	79	Note 35: Cash Flow Statement – Non-Cash Movements	115
Note 15: Heritage Assets	79	Note 36: Cash Flow Statement – Investing and Financing Activities	116
Note 16: Assets Held for Sale	80	Note 37: Material Items of Income and Expense	116
Note 17: Assets Held Under Lease	81	Note 38: Fair Value Hierarchy	117
Note 18: Private Finance Initiatives and Similar Contracts	83	Note G1: Combining Entities	119
Note 19: Capital Expenditure and Capital Financing	85	Note G2: Associates and Joint Ventures	119
Note 20: Impairment Losses	86	Note G3: Subsidiaries	122
Note 21: Long Term Investments	86	Note G4: Financial Impact of Consolidation	123
		Note G5: Non Material Interest	123



4

Notes to the East Lothian Council Accounts

Note 1 General Accounting Policies

i. General Principles

The Statement of Accounts summarises the authority's transactions for the 2020/21 financial year and its position at the year-end of 31 March 2021. The authority is required to prepare an annual Statement of Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which section 12 of the Local Government in Scotland Act 2003 requires to be in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under Section 12 of the 2003 Act.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of

Accounts has been prepared on a 'going concern' basis.

Further accounting policies can be found throughout these accounts with the notes to which they relate.

ii. Accruals of Income and Expenditure

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are

carried as inventories on the Balance Sheet.

- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when the payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument, rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

iii. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

iv. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance. Where a material change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period, as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

v. Employee Benefits

Short term employee benefits such as wages and salaries, paid annual leave, sick leave and expenses are paid on a monthly basis and charged on an accruals basis to the relevant service line of the CIES.

vi. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to the loan agreement.

Where premiums and discounts have been charged to the CIES, regulations allow the impact on the General Fund Balance to be spread over future years. The authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the CIES to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the MiRS.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. There are three main classes of financial assets measured at:

- amortised cost
- fair value through profit or loss (FVPL), and

- fair value through other comprehensive income (FVOCI).

The authority's business model is to hold investments to collect contractual cash flows.

Financial assets are therefore classified at amortised cost, except for those whose contractual payments are not solely payment of principal and interest i.e. where the cash flows do not take the form of a basic debt instrument.

vii. Interests in Companies and Other Entities

The authority has material interests in companies and other entities that have the nature of subsidiaries and associates and require it to prepare group accounts. In the authority's own single-entity accounts, the interests in companies and other entities are recorded as financial assets at cost, less any provision for losses or as investments designated as Fair Value through Other Comprehensive Income.

viii. Inventories and Long-term Contracts

Inventories are included in the Balance Sheet at the lower of cost and net realisable value.

The cost of inventories is assigned using the FIFO or weighted average costing formula.

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

ix. Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service in accordance with the authority's arrangements for accountability and financial performance.

x. Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement.

When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year, to score against the Net Cost of Services in the CIES. The reserve is then appropriated back into the General Fund Balance in the MiRS, so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets and retirement benefits and they do not represent usable resources for the authority – these reserves are explained in the relevant policies.

xi. Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the CIES in the year. Where the authority has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the MiRS from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged, so that there is no impact on the level of Council Tax.

xii. VAT

The CIES excludes amounts relating to VAT and will be included as an expense only if it is not recoverable from Her Majesty's Revenue and Customs. VAT receivable is excluded from income within the Council's Income and Expenditure statement.

Note 2 Accounting Standards Not Yet Adopted

The implementation of IFRS 16 *Leases* was originally phased for 2020/21 but this has been deferred to 2022/23. Implementation will require more lease arrangements to be recognised as assets with

associated liabilities on the Balance Sheet. Quantification of the impact is not currently available.

Note 3 Critical Judgements Applied

In applying the accounting policies set out in Note 1 and throughout the other notes to the accounts, the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a degree of uncertainty about future levels of funding for local government in Scotland. However, the authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- COVID-19 has resulted in an increased level of uncertainty in some areas including the impairment of debtors, asset valuations and group arrangements. A [joint statement](#) issued by the Financial Conduct

Authority (FCA), Financial Reporting Council (FRC) and Prudential Regulation Authority (PRA) recommends that users of financial statements should take into account the uncertainties and limitations arising from the impact of COVID-19.

- A number of COVID-19 related grants have been assessed as being agency in nature, with distributions being made as an agent of the Scottish Government. The receipt and distribution of the grant funding is excluded from the Comprehensive Income and Expenditure Statement.
- The Private Finance Initiative (PFI) contract for the refurbishment and facilities management of six secondary schools is treated by recognising assets and liabilities on the authority's Balance Sheet. This is because the authority considers that it has the majority of the risks and rewards of ownership.

Note 4 Future Assumptions

The Statement of Accounts contains estimated figures that are based on assumptions made by the authority about the future. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different

from the assumptions and estimates. The items in the Council's Balance Sheet at 31 March 2021, for which there is a significant risk of material adjustment in the forthcoming year, are shown in the following table:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
COVID-19: Debtors; Asset valuations; Group entities	The short-term implications of the COVID-19 pandemic for the finances of the Council became clearer during 2020/21, with cost pressures and income reduction affecting the Council's financial position and reserves. The longer-term implications will however depend on a variety of factors. This includes the success of infection control measures and activity restrictions imposed, which will directly affect Council operations and the wider economy. Consequently COVID-19 may particularly affect the collectability of monies owing to the Council as at 31 March 2021, the audited results of group entities, and the valuation of assets. Based on the evidence available during the preparation of the accounts the Council has currently assumed that there will be a slight adverse impact on the collection of some debts. It is assumed that the group results for 2020/21 and asset valuations at 31 March 2021 do not require material adjustment.	If evidence during 2021/22 contradicts the assumptions there is the potential for significant change – most particularly to require additional impairment of debtors. (See Notes 22 and 24)
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements including the discount rate used, the rate of projected salary increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the authority with expert advice about the assumptions to be applied. The actual figure has proved to be variable over time and more detail regarding this has been referred to in Note 29. The Pensions Reserve balance at 31 March 2021 is £196.054 million.	If actual results are different from assumptions, there is the potential for a significant change – either increasing or decreasing the potential liability. (See Note 29.)
Property, Plant, and Equipment (PPE)	Assets are valued and depreciated over their useful lives in line with advice taken from external and internal valuers. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets. The carrying amount of PPE at 31 March 2021 is £1,067.674 million with depreciation charges for 2020/21 of £37.378 million (excluding amortisation of intangible assets).	If the useful life of an asset is reduced, depreciation increases and the carrying amount of the asset falls. (See Note 12 and Note 13.)
Arrears	At 31 March 2021 the authority had balances of £11.942 million relating to Council Tax debt and £2.496 million relating to Council House rent debt. The authority believes it has provided for the potential of doubtful debts. However, it is possible that future economic conditions could have a detrimental impact on collection rates.	If collection rates were to deteriorate, then there would be a requirement to increase the value of the doubtful debt provision. (See Note 24.)

Note 5 Other Income and Expenditure Items

Included within the Comprehensive Income and Expenditure Statement:

2019/20	2019/20	Other Income and Expenditure Items in the CIES	2020/21	2020/21
Net Spend £000s	Group Net Expenditure £000s		Net Spend £000s	Group Net Expenditure £000s
(1,051)	(1,051)	(Gain)/Losses on the Disposal of Non-Current Assets	(856)	(856)
(1,051)	(1,051)	Total Other Operating Expenditure	(856)	(856)
16,420	16,395	Interest Payable and Similar Charges	16,173	16,171
(527)	(750)	Interest Receivable and Similar Income	(361)	(527)
-	(94)	(Gains)/Losses on sale of investments	-	175
-	898	Changes in fair value of financial instruments held at Fair Value through Profit or Loss	-	(1,532)
-	-	Financial instrument impairments	261	261
4,422	4,422	Interest Expense of Pension Defined Benefit Obligation	3,478	3,478
20,315	20,871	Total Financing & Investments	19,551	18,026

Note 6 Expenditure and Funding Analysis (EFA)

The Expenditure and Funding Analysis (EFA) shows how annual expenditure is used and funded from resources (e.g. government grants, rents, Council Tax and Non Domestic Rates) by local authorities, in comparison with those resources consumed or earned by authorities, in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the CIES.

2019/20				2020/21		
Expenditure Chargeable to Usable Reserves £000s	Adjustments between Funding & Accounting Basis (EFA Note 1) £000s	Net Expenditure in CIES £000s	Expenditure and Funding Analysis	Expenditure Chargeable to Usable Reserves £000s	Adjustments between Funding & Accounting Basis (EFA Note 1) £000s	Net Expenditure in CIES £000s
GF and HRA combined				GF and HRA combined		
121,750	19,229	140,979	Resources & People Directorate	127,611	16,017	143,628
46,763	2,673	49,436	Health & Social Care Partnership	49,188	1,451	50,639
41,551	15,959	57,510	Partnership & Community Directorate	45,269	11,526	56,795
6,687	(11,598)	(4,911)	Corporate and Central Services	10,112	(10,169)	(57)
(2,082)	10,654	8,572	HRA	(6,196)	15,114	8,918
214,669	36,917	251,586	Net Cost of Service	225,984	33,939	259,923
(214,186)	(40,262)	(254,448)	Other Income & Expenditure	(238,455)	(26,685)	(265,140)
483	(3,345)	(2,862)	(Surplus)/Deficit on Provision of Services	(12,471)	7,254	(5,217)
GF	HRA	Combined		GF	HRA	Combined
(12,766)	(6,068)	(18,834)	Opening Fund Balance	(16,154)	(2,009)	(18,163)
(3,576)	4,059	483	(Surplus)/Deficit for year chargeable to General Fund and HRA	(12,471)	-	(12,471)
188	-	188	Transfer to/from Other Statutory Reserves	297	-	297
(16,154)	(2,009)	(18,163)	Closing Fund Balances	(28,328)	(2,009)	(30,337)

EFA Note 1 – Adjustments between accounting and funding basis

Adjustment for Capital Purposes (EFA Note 2)	Net Change for Pension Adjustment (EFA Note 3)	2019/20			Total Adjustments	Adjustments from General Fund to Arrive at the Comprehensive Income and Expenditure Statement	Adjustment for Capital Purposes (EFA Note 2)	Net Change for Pension Adjustment (EFA Note 3)	2020/21			Total Adjustments
		Other Statutory Differences	Depreciation Charged to Revaluation Reserve						Other Statutory Differences	Depreciation Charged to Revaluation Reserve		
		£000s	£000s	£000s					£000s	£000s	£000s	
9,821	4,784	372	4,252	19,229	Resources & People Directorate	7,485	3,449	777	4,306	16,017		
407	2,088	-	178	2,673	Health & Social Care Partnership	(238)	1,501	-	188	1,451		
7,052	5,831	-	3,076	15,959	Partnership & Community Directorate	4,425	4,129	-	2,972	11,526		
(6,396)	(4,933)	(269)	-	(11,598)	Corporate and Central Services	(10,170)	1	-	-	(10,169)		
7,312	279	-	3,063	10,654	HRA	12,295	212	-	2,607	15,114		
18,196	8,049	103	10,569	36,917	Net Cost of Service	13,797	9,292	777	10,073	33,939		
(44,684)	4,422	-	-	(40,262)	Other Income & Expenditure from the Expenditure and Funding Analysis	(29,892)	3,478	(271)	-	(26,685)		
(26,488)	12,471	103	10,569	(3,345)	Difference between deficit charged to fund balances and Comprehensive Income and Expenditure Statement Deficit	(16,095)	12,770	506	10,073	7,254		

EFA Note 2 - Adjustments for capital purposes

There are various changes relating to capital assets, such as:

- Adding back depreciation, impairment and revaluation gains and losses that are charged to the cost of service.
- Adjusting the capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- The statutory charges for capital financing, i.e. loans fund principal repayments and other revenue contributions, are deducted from

EFA Note 3 - Net change for pension adjustment

Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:

- other income and expenditure, as these are not chargeable under generally accepted accounting practices.
- Capital grants are adjusted for income not chargeable under generally accepted accounting practices. The taxation and non-specific grant income and expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in year.
- For services, this represents the removal of the employer pension contributions made by the authority, as allowed by statute, and the replacement with current service costs and past service costs.
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

EFA Note 4 - Other Statutory differences

Other statutory differences include:

- The accrual made for the cost of holiday/leave entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. These require to be included with the Net Cost of Services under

generally accepted accounting practices but are not chargeable to the General Fund.

- Adjustments to the General Fund for the timing differences for premiums and discounts.

EFA Note 5 – Depreciation charged to the Revaluation Reserve

Under accounting standards the valuation based portion of depreciation charges can be charged, as a movement between reserves, to the Revaluation Reserve. This negates the requirement to apply a statutory adjustment for this element of depreciation charges.

Note to Comprehensive Income and Expenditure Statement

The service lines in the Comprehensive Income and Expenditure Statement exclude internal recharges.

The income and expenditure for each service, inclusive of internal recharges, are shown below.

Gross Spend £000s	2019/20		Income and Expenditure for Each Service, Inclusive of Internal Recharges	2020/21		
	Gross Income £000s	Net Spend £000s		Gross Spend £000s	Gross Income £000s	Net Spend £000s
230,588	(89,609)	140,979	Resources & People Directorate	246,498	(102,870)	143,628
120,402	(70,966)	49,436	Health & Social Care Partnership	126,112	(75,473)	50,639
92,875	(35,365)	57,510	Partnership & Community Directorate	96,822	(40,027)	56,795
16,105	(21,016)	(4,911)	Corporate and Central Services	20,946	(21,003)	(57)
40,742	(32,170)	8,572	HRA	45,922	(37,004)	8,918
500,712	(249,126)	251,586	Cost of Services	536,300	(276,377)	259,923

Expenditure and Income Analysed by Segment and Nature

The Council is required to analyse the relevant service segments in the EFA on the basis of the organisational structure adopted. Reportable operating segments are based on the Council's internal management reporting used to assess service performance when considering the allocation of financial resources. The authority's expenditure and income is analysed as follows:

Expenditure and Income Analysed by Segment and Nature 2020/21	Resources & People Directorate £000s	Health & Social Care Partnership £000s	Partnership & Community Directorate £000s	Corporate and Central Services £000s	HRA £000s	Costs not included in a service £000s	Total £000s
Expenditure							
Employee Benefits Expenses	102,812	18,349	50,504	416	2,602	-	174,683
Other Service Expenses	44,397	50,974	25,931	20,480	11,357	-	153,139
Depreciation, Amortisation & Impairment	14,905	645	10,209	-	22,182	-	47,941
Reallocation of Internal Costs	1,610	746	(8,876)	(2,963)	9,482	-	(1)
Reallocation of Costs to Capital	(396)	-	(2,900)	-	(234)	-	(3,530)
Loss on Disposal of Assets	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	19,912	19,912
Contribution to IJB	-	48,952	-	-	-	-	48,952
Total Expenditure	163,328	119,666	74,868	17,933	45,389	19,912	441,096
Income							
Fees, Charges and Other Service Income	(2,915)	(11,845)	(10,547)	(133)	(36,471)	-	(61,911)
Asset revaluation gains	(3,114)	(694)	(2,812)	-	-	-	(6,620)
Interest and Investment Income	-	-	-	-	-	(360)	(360)
Gain on Disposal of Assets	-	-	-	-	-	(856)	(856)
Income from Council Tax and Non-Domestic Rates	-	-	-	-	-	(76,860)	(76,860)
Contributions from IJB	-	(48,952)	-	-	-	-	(48,952)
Government Grants and Contributions	(13,671)	(7,536)	(4,714)	(17,857)	-	(206,976)	(250,754)
Total Income	(19,700)	(69,027)	(18,073)	(17,990)	(36,471)	(285,052)	(446,313)
Deficit on the Provision of Services							(5,217)

Prior year's expenditure and income by segment and nature is analysed as follows:

Expenditure and Income Analysed by Segment and Nature 2019/20	Resources & People Directorate £000s	Health & Social Care Partnership £000s	Partnership & Community Directorate £000s	Corporate and Central Services £000s	HRA £000s	Costs not included in a service £000s	Total £000s
Expenditure							
Employee Benefits Expenses	98,384	18,139	51,376	(4,518)	2,491	-	165,872
Other Service Expenses	41,124	46,862	20,109	20,616	10,209	-	138,920
Depreciation, Amortisation and Impairment	14,073	585	10,128	(229)	21,877	-	46,434
Reallocation of Internal Costs	1,835	899	(6,015)	(2,621)	5,902	-	-
Reallocation of Costs to Capital	(390)	-	(2,803)	-	(269)	-	(3,462)
Loss on Disposal of Assets	-	-	-	-	-	-	-
Interest Payments	-	-	-	-	-	20,842	20,842
Contribution to IJB	-	47,459	-	-	-	-	47,459
Total Expenditure	155,026	113,944	72,795	13,248	40,210	20,842	416,065
Income							
Fees, Charges and Other Service Income	(3,952)	(9,567)	(12,171)	(625)	(31,638)	-	(57,953)
Interest and Investment Income	-	-	-	-	-	(527)	(527)
Gain on Disposal of Assets	-	-	-	-	-	(1,051)	(1,051)
Income from Council Tax and Non-Domestic Rates	-	-	-	-	-	(81,512)	(81,512)
Contributions from IJB	-	(47,459)	-	-	-	-	(47,459)
Government Grants and Contributions	(10,095)	(7,482)	(3,114)	(17,534)	-	(192,200)	(230,425)
Total Income	(14,047)	(64,508)	(15,285)	(18,159)	(31,638)	(275,290)	(418,927)
Deficit on the Provision of Services							(2,862)

Note 7 Adjustments between Accounting and Funding Basis under Regulations

This note details adjustments that are made to the total CIES recognised by the authority in the year, in accordance with proper accounting practice, to the resources that are specified by statutory provisions as being made available to the authority to meet future capital and revenue expenditure.

2019/20			Adjustments between Accounting and Funding Basis under Regulations	2020/21		
General Fund Balance £000s	Housing Revenue Account £000s	Movement in Usable Reserves £000s		General Fund Balance £000s	Housing Revenue Account £000s	Movement in Usable Reserves £000s
			Adjustments Primarily Involving the Capital Adjustment Account			
			Reversal of Items Debited or Credited to the CIES:			
-17,193	-8,883	-26,076	Charges for Depreciation and Amortisation of Non-Current Assets	-18,294	-9,155	-27,449
-86	-9,931	-10,017	Impairment Losses on Property, Plant and Equipment	-938	-10,420	-11,358
229	-	229	Revaluation Gains (Losses) on Property, Plant and Equipment presented in SDPS	7,559	-	7,559
36,572	7,061	43,633	Capital Grant and Contributions Applied	23,206	5,865	29,071
678	373	1,051	Derecognition of non-current assets	850	7	857
36	-	36	Expected credit loss of Assets funded from capital sources under statute	-34	-	-34
			Statutory Repayment of Debt:			
1,288	-	1,288	Statutory repayment of debt: PPP	1,484	-	1,484
60	-	60	Statutory repayment of debt: Finance Leases	61	-	61
8,666	3,802	12,468	Statutory repayment of debt: Loans Fund	8,329	4,054	12,383
-4,600	-	-4,600	Application of Capital Receipts Reserve to support statutory repayment of debt	-	-	0
			Funding of Capital Expenditure Incurred in the Year			
717	7,700	8,417	Capital Expenditure Charged Against the General Fund and HRA balances	295	3,226	3,521
			Adjustments Primarily Involving the Employee Statutory Adjustment Account:			
-372	-	-372	Employee Statutory Adjustments: Accumulated Annual Leave	-777	-	-777
			Adjustments Primarily Involving the Financial Instruments Adjustment Account:			
256	-	256	Charge of deferred premiums from the refinancing of debt	256	-	256
12	-	12	Charge for interest rate adjustments related to stepped interest rate borrowing	15	-	15
			Adjustments Primarily Involving the Pensions Reserve:			
-28,666	-833	-29,499	Net Retirement Benefits per IAS 19	-29,791	-786	-30,577
16,588	440	17,028	Employer's Contributions Payable to the Lothian Pension Fund	17,327	480	17,807
14,185	-271	13,914	Total Adjustments to General Fund and HRA Balance	9,548	-6,729	2,819
		3,887	Adjustments to the Capital Receipts Reserve			-1,488
		17,801	Total Statutory Adjustments Affecting Usable Reserves			1,331

Note 8 Taxation and Non-Specific Grant Income

Grant income can take many forms: paid on account; by instalments or in arrears; government grants or third party contributions and donations. This is recognised as due to East Lothian Council when there is an assurance that the authority has complied with the necessary conditions attached to these payments. East Lothian Council credited the following to taxation and non-specific grant income to the CIES:

2019/20 £000s	Taxation and Non-Specific Grant Income	2020/21 £000s
(55,238)	Council Tax	(58,585)
(26,274)	Non Domestic Rates	(18,274)
(148,566)	Non Ring-fenced Government Grants	(177,905)
(43,634)	Capital Grants and Contributions	(29,071)
(273,712)	Total	(283,835)

Note 9 Agency Income and Expenditure

The authority provides an agency service to Scottish Water. Associated income and expenditure is not included within the authority's CIES.

The authority shares services with other authorities (e.g. special education and social work facilities). The expenditure on these services is incurred so that the authority can perform its duties, rather than the duties of another organisation.

COVID-19 Grants were distributed on behalf of the Scottish Government in accordance with the Scottish Government's eligibility criteria. The £500 social care workers grant funding was not received in 20/21, but has been received and disbursed by the Council and East Lothian IJB in 2021/22.

Salary sacrifice schemes represents expenditure on bicycles, childcare and car schemes on behalf of employees, with employees reimbursing the Council for these costs.

2019/20 £000s	Agency Income and Expenditure	2020/21 £000s
18,800	Scottish Water Income collected	19,249
-	COVID-19: Business Grants	27,575
-	COVID-19: Social Care Workers £500 Grant	967
-	COVID-19: ELCC Providers Support	330
-	COVID-19: Other Grants	534
564	Salary sacrifice schemes	462
19,364	Total	49,117

Note 10 Audit Costs

Auditors are normally appointed for five years by the Accounts Commission. Due to COVID-19 existing appointments have been extended. Audit Scotland was appointed as the authority's external auditor in 2016/17. In 2020/21 the audit fee was £253,488 (2019/20: £247,080). No fees were payable in respect of other services provided by the appointed auditor.

Note 11 Related Parties

The Council is required to disclose material transactions with Related Parties i.e. bodies or individuals that have the potential to control or influence the authority, or to be controlled or influenced by the authority. Disclosure of these transactions helps assessment of the extent to which the authority might have been constrained in its ability to operate independently, or might have secured the ability to limit another party's ability to bargain freely with the Council.

Government – Including UK and Scottish Government

Government has significant influence over the general operations of the authority. It is responsible for providing the statutory framework within which the authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the authority has with other parties (e.g. Council Tax bills, housing benefits).

Members

Members of the authority have direct control over the authority's financial and operating policies. The total of members' allowances paid in 2020/21 is shown in the Remuneration Report.

East Lothian Council approved total Grants of £3,856,199 which in 2020/21 is made up of: One Council Community Partnership funding of £1,596,459; Area Partnership funding of £1,250,000; Children's Services £433,462; Community Council Administration Grants, Insurance and Local Priority Scheme Grants £133,641; Health and Social Care Partnership Grants to Voluntary Organisations of £442,637.

Of these amounts, payments for 'Partnership Funding' totalling some £833,272 as shown in the table were awarded to organisations in which Members have representation. This represents 22% of the total grants awarded.

In all instances, the grants were made with proper consideration of declarations of interest. A register of Members' interests is available on the authority's website. Details of all grants and awards to organisations in which Members have representation are listed in the Related Parties table.

Related Parties	Partnership		Total £000s
	Funding £000s	Other £000s	
Blooming Haddington	-	(13)	(13)
Coastal Communities Museum Trust	8	-	8
Cockenzie House and Gardens	-	1	1
Dunbar and District Twinning Association	-	1	1
East Lothian Advice Consortium	370	-	370
First Step	209	66	275
Gullane Area Community Council	-	9	9
Haddington Twinning Association	-	1	1
Hallhill Ltd	93	-	93
Hibernian FC	-	14	14
Lamp of Lothian Management Committee	20	-	20
Lothian Mineworkers' Welfare Convalescent Home Trust	7	-	7
Pennypit Community Development Trust	99	132	231
Preston Lodge High School Excellence in Learning Foundation	-	4	4
Recharge Youth Facility	28	-	28
Tranent and Elphinstone Community Council	-	17	17
Total	834	232	1,066

Joint Ventures and Entities Controlled or Significantly Influenced by the Authority

Payments in The Year 2019/20 £000s	Position at Year End		Entity	Nature of Related Party Relationship	Payments in The Year 2020/21 £000s	Position at Year End		Nature of Transactions
	Debtor Balances 2019/20 £000s	Creditor Balances 2019/20 £000s				Debtor Balances 2020/21 £000s	Creditor Balances 2020/21 £000s	
2,027	38	-	Enjoy East Lothian Limited	Charitable organisation registered with Office of Scottish Charity Regulators.	2,361	41	-	Payment for provision of leisure services
19	-	(90)	East Lothian Land Limited	Company set up for the purpose of managing land to support economic development in East Lothian.	17	-	(73)	Loan from the company
31	226	-	East Lothian Investments Ltd	Granting interest free loans to the businesses of East Lothian with the aim of encouraging commercial activity and enterprise in the area.	34	128	-	Payment for setup costs of EL Gift Card
512	-	(524)	Brunton Theatre Trust	Charitable organisation registered with Office of Scottish Charity Regulators.	533	-	(555)	Payment for provision of arts/cultural services
-	-	(3,642)	Common Goods	Council manages assets of historic burghs in line with statute.	-	-	(3,994)	Cash balances relating to normal operations
115	123	-	Musselburgh Racing Associated Committee (wound up 23 June 2020)	Unincorporated organisation which organised racing on Musselburgh Links under minute of agreement with council.	(14)	-	-	Cash balances relating to normal operations
-	-	(1,710)	Trust Funds	A number of trust funds which are managed by the Council in line with the respective trust deeds.	-	-	(1,809)	Cash balances relating to normal operations
642	-	-	Joint Boards	Statutory bodies set up by Scottish ministers.	665	-	-	Payments to run valuation services
56,901	175	-	East Lothian Integration Joint Board	Statutory Body Formed During 2015/16 Under the Terms of The Public Bodies (Joint Working) (Scotland) Act 2014.	58,394	-	(433)	Payments to run health & social care services
1	-	(31)	East Lothian Mid-Market Homes LLP	Established to manage properties to be available for mid-market rent.	125	5	-	Minor payments relating to normal operations
60,248	562	(5,997)			62,115	174	(6,864)	

The above table illustrates the year-end inter group positions between the Council and the entities with which it has significant influence or control. The full figures for these entities are disclosed in the group accounts elements of the Main Statements, as well as further detail provided in the Group Accounts Notes.

Note 12 Property Plant and Equipment Movements

Property, Plant & Equipment Movements	Council Dwellings £000s	Other land and buildings £000s	Vehicles, Plant, Furniture & Equipment £000s	Infrastructure Assets £000s	Community Assets £000s	Surplus Assets £000s	Assets Under Construction £000s	Total Property, Plant and Equipment £000s	PFI Assets Included in PPE £000s
2020/21									
Net Book Value at 1 April 2020	358,065	467,388	12,127	70,492	8,755	4,254	34,756	955,837	112,553
Additions	12,034	13,502	5,297	6,843	81	-	18,664	56,421	460
Depreciation	(11,762)	(17,658)	(2,982)	(4,922)	(54)	-	-	(37,378)	(5,239)
Revaluation gains and losses recognised in SDPS	-	7,851	-	-	-	(92)	-	7,759	4,611
Impairment recognised in SDPS	(10,420)	(938)	-	-	-	-	-	(11,358)	-
Revaluation Gains and Losses recognised in the Revaluation Reserve	(5,826)	102,945	-	-	-	(20)	-	97,099	35,900
Disposals	-	-	(10)	-	-	-	(621)	(631)	-
Asset reclassified (to)/from Held for Sale	-	-	-	-	-	(75)	-	(75)	-
Other Movements in cost or valuation	10,045	5,832	-	1,496	137	320	(17,830)	-	-
Net Book Value at 31 March 2021	352,136	578,922	14,432	73,909	8,919	4,387	34,969	1,067,674	148,285
Gross Book Value	414,384	588,587	57,482	124,252	10,755	4,389	34,969	1,234,818	148,770
Accumulated Depreciation & Impairment	(62,248)	(9,665)	(43,050)	(50,343)	(1,836)	(2)	-	(167,144)	(485)
	352,136	578,922	14,432	73,909	8,919	4,387	34,969	1,067,674	148,285
2019/20									
Net Book Value at 1 April 2020	362,427	468,111	11,248	66,122	9,443	4,071	12,329	933,751	117,545
Additions	24,121	8,400	3,851	9,039	214	-	26,013	71,638	368
Depreciation	(11,946)	(17,642)	(2,797)	(4,198)	(54)	-	-	(36,637)	(5,360)
Revaluation gains and losses recognised in SDPS	-	229	-	-	-	-	-	229	-
Impairment recognised in SDPS	(9,931)	(86)	-	-	-	-	-	(10,017)	-
Revaluation Gains and Losses recognised in the Revaluation Reserve	(8,528)	5,352	-	-	(65)	250	-	(2,991)	-
Disposals	-	(25)	(11)	-	-	-	-	(36)	-
Reclassified as Intangible Assets	-	-	(168)	-	-	-	-	(168)	-
Asset reclassified (to)/from Held for Sale	-	-	-	-	-	65	-	65	-
Other Movements in cost or valuation	1,922	3,049	4	(471)	(783)	(132)	(3,586)	3	-
Net Book Value at 31 March 2020	358,065	467,388	12,127	70,492	8,755	4,254	34,756	955,837	112,553
Gross Book Value	392,305	539,667	53,290	115,893	10,536	4,309	34,758	1,150,758	133,692
Accumulated Depreciation & Impairment	(34,240)	(72,279)	(41,163)	(45,401)	(1,781)	(55)	(2)	(194,921)	(21,139)
	358,065	467,388	12,127	70,492	8,755	4,254	34,756	955,837	112,553

Note 13 Property Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and that are expected to be used during more than one financial year, are classified as property, plant and equipment (PPE).

Recognition

Expenditure of over £6,000 on the acquisition, creation or enhancement of any PPE is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The authority does not capitalise borrowing costs incurred whilst assets are under construction.

Assets are then carried in the Balance Sheet using the following measurement bases:

- Infrastructure assets and community assets – depreciated historical cost
- Council dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)

- Other land and buildings – current value, determined as the amount that would be paid for the asset in existing use (Existing Use Value – EUV)
- Vehicles, Plant, Furniture and Equipment – depreciated historical cost
- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.

Where there is no market based evidence of current value because of the specialist nature of an asset, depreciated replacement cost is used as an estimate of current value.

Assets included in the Balance Sheet at current value are revalued regularly, as described in the Revaluations section further below.

Where decreases in value are identified and there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance, up to the amount of the accumulated gains. However, where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the CIES.

Impairment

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified and there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance up to the amount of the accumulated gain. However where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line in the CIES.

Where an impairment loss is reversed it is credited to the relevant service line in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided for on all PPE assets by systematic allocation of depreciable amount over their useful lives. No depreciation is charged in the year of acquisition but an entire year's charge is made in the year of disposal. An exception is made for assets without a determinable finite useful life (land and certain community assets) and assets that are not yet available for use (assets under construction).

Depreciation is calculated on the following basis:

- Council dwellings and other buildings – straight-line allocation over the life of the property as estimated by the valuer.
- Vehicles, plant and equipment and community assets – straight-line allocation over the life of the asset as advised by a suitably qualified officer.
- Infrastructure – straight-line allocation.

The estimated useful lives of assets depreciating on a straight-line basis are disclosed in the Depreciation table. Where an item of PPE asset has major components and the cost is significant in relation to the total cost of the item and over £4.5m, the components are depreciated separately.

Depreciation

Council Dwellings	24-25 years
Council Garages	9-10 years
Other Land and Buildings	10-60 years
Vehicles, Plant Furniture & Equipment	1-25 years
Infrastructure	10-40 years
Community Assets	17-60 years

Assets Under Construction are not Depreciated

Revaluation gains are also depreciated, with an amount equal to the difference between current value depreciation on assets and the depreciation based on their historical cost, being charged each year to the Revaluation Reserve.

Revaluations

The authority carries out a rolling programme that ensures that all PPE required to be measured at current value, are revalued at least every five years.

Valuations are carried out by professional firms of chartered surveyors and by Council Estates staff. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institute of Chartered Surveyors. The dates for valuation are shown in the table. Additionally a further 'out-of-cycle' valuation exercise is planned for 31 March 2022 to ensure that all assets are valued in the correct cycle for valuations according to their asset category.

Revaluations	Date of Last Valuation	Date of Next Valuation
Council Dwellings - Council Houses & Garages	31/03/2019	31/03/2024
Other Land & Buildings - Non Operational Industrial Lets etc.	31/03/2020	31/03/2025
Other Land & Buildings - Operational Portfolio of Schools, Community Centres etc.	31/03/2021	31/03/2026

The significant assumptions applied in estimating the current values for buildings are that:

- East Lothian Council has good and clear title to all the subjects under valuation.
- The appropriate planning consents are in place for the subjects to be used for their existing use.
- The subjects under valuation are in a state of repair and condition commensurate with their age.
- Mining operations, nor any other environmental matters, do not have a material impact on the valuations noted.

Due to the timing and impact of COVID-19 a [RICS practice alert](#) indicates there may be restrictions and an increased level of uncertainty affecting valuations. This situation is not unique to local authorities or the wider public sector. Every effort has been made to reflect the value of property, plant and equipment as at 31 March 2021, however due to the impact of COVID-19 there may be an increased level of uncertainty arising.

Common Good Assets Judicial Review

In August 2020 a judicial review, involving Common Good assets under the care of Angus Council, concluded that assets built on Common Good land, and which are not held under a separate title, should be regarded as part of the Common Good land title. A contingent liability for the potential transfer of assets has been disclosed. The matter is also noted in the Common Good financial statements.

Capital Commitments

As at 31 March 2021 the Council entered into a number of contracts for the construction or enhancement of PPE in 2021/22 and future years budgeted to a value of £38.072 million. Similar commitments at 31 March 2020 were £20.831 million. The gross commitments for the Council's major projects are shown in the Capital Commitments table.

Capital Commitments	General Fund	HRA
	2020/21	2020/21
	£000s	£000s
Haddington Corn Exchange	27	
Whitecraig Community Centre	20	
Coastal / Flood Protection schemes - East Beach, Dunbar	12	
Musselburgh Flood Protection Scheme	504	
Gullane Primary School	1,643	
Coastal Car Park Toilets	394	
Port Seton Community Centre	16	
Meadowmill Amenities Depot	400	
Vans	392	
Letham Primary School	21	
Law Primary	3,379	
Mains Farm North Berwick - Sport Pavilion	271	
North Berwick High School	5,350	
Ross High School	9,671	
UPVC Window Programme		945
Kitchen Replacement Programme		1,000
Fire Door compliance programme		1,283
Smoke Heat and CO2 Detection compliance programme		500
House Extension Framework Programme		152
Disabled Adaptations		120
Central Heating Installation Programme		9,292
Summers Inman Surveyors Work (Adaptation Projects)		600
Floors Terrace roofing		424
151 North High Street roofing		230
Tynemount Road, Ormiston		1,426
Total	22,100	15,972

Note 14 Intangible Assets

Intangible assets do not have physical substance but are controlled by the authority. Intangible assets held by the Council primarily relate to computer system software. Intangible assets are carried at amortised cost since valuation by reference to an active market is not normally possible.

Software rights can be obtained as part of wider system implementation initiatives. Software acquired during 2020/21 predominantly related to schools and corporate systems.

Note 15 Heritage Assets

The aim of the authority's museums service is to preserve and present the authority's Cultural and Heritage assets and to enable communities and individuals to engage with these assets as a resource for enjoyment, education and information. Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the authority's accounting policies on PPE. However, some of the measurement rules are relaxed in relation to heritage assets.

The authority's collection of oil paintings is reported in the Balance Sheet at insurance valuation which is based on market values. Valuations are obtained every five years. The paintings are deemed to have indeterminate lives and a high residual value, hence the authority

2019/20 £000s	Intangible Assets	2020/21 £000s
-	Net Carrying amount at the start of the year	709
167	Assets reclassified from Property, Plant & Equipment	-
551	Additions during the year	581
(9)	Amortisation for the year	(144)
709	Net carrying amount at the end of year	1,146

2019/20 £000s	Heritage Assets (Cost or Valuation)	2020/21 £000s
1,052	Net Carrying amount at the start of the year	1,052
-	Additions	-
-	Revaluation increases recognised in the Revaluation Reserve	-
1,052	Net carrying amount at the end of year	1,052

does not consider it appropriate to charge depreciation. The remainder of the authority's collection relates to generic social history, which is not believed to be of any material value. All of the collections are relatively static and acquisitions are rare; where they do occur, they are initially recognised at cost.

Note 16 Assets Held for Sale

When it becomes probable that the carrying value of an asset will be recovered principally through a sale transaction rather than its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the CIES. Gains in fair value are recognised only up to the amount of any previous losses recognised in the Surplus or Deficit on the Provision of Services. Depreciation is not charged on assets held for sale.

Where an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to the Other Operating Expenditure line in the CIES as part of the gain or loss on disposal.

Receipts from disposals are credited to the same line in the CIES as part of the gain or loss on disposal i.e. netted off against the carrying value of the asset at the time of disposal. Any revaluation gains for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

All capital receipts are either credited to the Capital Receipts Reserve or designated to the Capital Grants and Receipts Unapplied Account. They can then be used for new capital investment or to meet the cost of debt repayments, or to fund transformational projects that are anticipated to result in long term revenue savings for the Council.

The written off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the MiRS.

In 2020/21 Primrose Day Centre was newly classified as an asset held for sale and Alderston House incurred a revaluation loss.

2019/20 £000s	Assets Held for Sale	2020/21 £000s
766	Balance Outstanding at Start of Year	701
-	Assets Newly Classified as Held for Sale	75
(65)	Assets Declassified as Held for Sale	-
-	Revaluation losses	(201)
701	Balance outstanding at end of the year	575

Note 17 Assets Held Under Lease

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of PPE from the lessor to the lessee. All other leases are classified as operating leases.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy, where fulfilment of the arrangement is dependent on the use of specific assets.

Council as Lessee

Finance Leases

PPE held under finance leases is recognised in the Balance Sheet at the commencement of the lease at its fair value, measured at the lease's inception or the present value of the minimum lease payments, if lower. The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.

PPE recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The authority is not required to raise Council Tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements.

Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the MiRS for the difference between the two.

The Council has acquired a number of buildings, street lights and vehicles under finance leases. The assets acquired under these leases are included within PPE at the following net amounts:

31 March 2020 £000s	Assets Held Under Finance Leases	31 March 2021 £000s
12,071	Other Land and Buildings	10,128
139	Vehicles, Plant, Furniture and Equipment	130
12,210	Total	10,258

The Council is committed to making minimum lease payments under these leases, comprising settlement of the long-term liability for the interest in the assets acquired by the Council and finance costs that will be payable by the Council in future years, while the liability remains outstanding. The minimum lease payments are made up of the following amounts:

31 March 2020 £000s	Finance Lease Liabilities (NPV of Minimum Lease Payments)	31 March 2021 £000s
(61)	Current	(63)
(835)	Non-Current	(772)
(5,048)	Finance Costs Payable in Future Years	(4,824)
(5,944)	Minimum Lease Payments	(5,659)

Minimum Lease Payments 31 March 2020 £000s	Finance Lease Liabilities 31 March 2020 £000s	Finance Lease Liabilities	Minimum Lease Payments 31 March 2021 £000s	Finance Lease Liabilities 31 March 2021 £000s
(285)	(61)	Not Later Than One Year	(285)	(63)
(1,140)	(265)	Later Than One Year and Not Later Than Five Years	(1,140)	(273)
(4,519)	(570)	Later Than Five Years	(4,234)	(499)
(5,944)	(896)	Total	(5,659)	(835)

Operating Leases

Rentals paid under operating leases are charged to CIES as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. if there is a rent-free period at the commencement of the lease). The amount paid under these arrangements in 2020/21 was £0.807m (2019/20: £0.777m).

The future minimum lease payments due under non-cancellable leases in future years are shown in the Operating Leases table.

Minimum Lease Payments 31 March 2020 £000s	Operating Leases	Minimum Lease Payments 31 March 2021 £000s
(749)	Not Later Than One Year	(797)
(1,562)	Later Than One Year and Not Later Than Five Years	(957)
-	Later Than Five Years	-
(2,311)	Total	(1,754)

Council as Lessor

Operating Leases

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet.

Rental income is recognised in the CIES on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

The Council leases out property under operating leases for the following purposes:

- For the provision of community services, such as community centres and sports facilities
- For economic development purposes to provide suitable affordable accommodation for business.

The future minimum lease payments receivable under non-cancellable leases in future years are shown in the Council as Lessor table:

Minimum Lease Payments 31 March 2020 £000s	Council as Lessor	Minimum Lease Payments 31 March 2021 £000s
1,480	Not Later Than One Year	1,288
2,902	Later Than One Year and Not Later Than Five Years	2,673
30,977	Later Than Five Years	30,289
35,359	Total	34,250

Note 18 Private Finance Initiatives and Similar Contracts

Private Finance Initiative (PFI) and similar contracts are agreements to receive services, where the responsibility for making available the non-current assets needed to provide the services passes to the PFI contractor. As the authority is deemed to control the services that are provided under its PFI schemes and as ownership of the non-current assets will pass to the authority at the end of the contract for no additional charge, the authority carries the non-current assets used under the contracts on the Balance Sheet as part of property, plant and equipment.

The original recognition of these assets at fair value based on the cost to purchase the property, plant and equipment was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the authority.

The amounts payable to the PFI operators each year are analysed into five elements:

- Fair value of the services received during the year – debited to the relevant service in the CIES.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and Expenditure line in the CIES.
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the CIES.
- Payment towards liability – applied to write down the Balance Sheet liability to the PFI operator.
- Lifecycle replacement costs – a proportion of the amount payable to the PFI operator is posted to the Balance Sheet as a prepayment and then recognised as additions to property, plant and equipment when the relevant works are eventually carried out.

During 2002/03 the Council entered into a 32 year partnership with Innovate East Lothian Ltd for the provision of enhanced secondary school facilities, a new community centre and swimming pool and the associated facility management of the various sites.

The assets used to provide services are recognised on the Council's Balance Sheet. Movements in their value over the year are detailed in the analysis of the movement on the PPE balance in Note 12.

The Council makes an agreed payment each year which is increased annually in line with inflation and can be reduced if the contractor fails to meet availability and performance standards in any year, but is otherwise fixed. The PFI contract runs until 2035, at which time the facilities and all operational services revert to full council management. At this time responsibility for facilities management, maintenance, insurance etc. will all transfer back to the Council.

Under the terms of the contract, all facilities will be handed back to the Council in the same condition as at the Service Availability Date i.e. the date the facilities were completed. To achieve this, there will be an increased lifecycle spend over the last five years of the contract, ensuring the facilities are handed back in the appropriate condition. Innovate East Lothian Limited has no right of renewal of the contract.

Payments remaining to be made under the PFI contract at 31 March 2021 are as follows:

Private Finance Initiatives and Similar Contracts	Payment for Services £000s	Reimbursement of Capital Expenditure £000s	Interest £000s	Total £000s
Payable in 2021/22	3,641	1,514	2,276	7,431
Payable Within 2-5 Years	15,345	6,261	8,117	29,723
Payable Within 6-10 Years	17,750	11,949	7,454	37,153
Payable Within 11-15 Years	11,810	14,792	2,489	29,091
Payable Within 16-20 Years	-	-	-	-
Total	48,546	34,516	20,336	103,398

Outstanding Liability to the Contractor

Although the payments made to the contractor are described as unitary payments, they have been calculated to compensate the contractor for the fair value of the services they provide, the capital expenditure incurred and interest payable whilst the capital expenditure remains to be reimbursed. The outstanding liability to the contractor for capital expenditure is as follows:

31 March 2020	Outstanding Liability to the Contractor	31 March 2021
(37,288)	Balance at Start of Year	(36,000)
1,288	Payments	1,484
(36,000)	Balance Outstanding at Year End	(34,516)

Note 19 Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the Capital Expenditure and Capital Financing table, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue at the time assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

31 March 2020 £000s	Capital Expenditure and Capital Financing	31 March 2021 £000s
451,580	Opening Capital Financing Requirement	457,290
	Capital Investment	
71,638	Property, Plant and Equipment	56,421
551	Intangible Assets	581
	Sources of finance	
(612)	Capital receipts	(248)
(16,847)	Government grants	(18,728)
(26,787)	Other Contributions	(10,343)
(8,417)	Direct Revenue Contributions	(3,521)
(13,816)	Statutory repayment of debt	(13,928)
457,290	Closing Capital Financing Requirement	467,524

Note 20 Impairment Losses

An impairment loss is a reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet.

During 2020/21, the Council recognised impairment losses totalling £11.358 million (Note 7), the majority of which relates to enhancement

of HRA assets which does not increase the value of council dwellings under the existing use value-Social Housing valuation basis. These impairment losses have been charged as appropriate within the CIES. During 2019/20, the Council recognised impairment losses totalling £10.017 million.

Note 21 Long Term Investments

Long term investments are held at fair value, which the Council considers to equal the net assets of the related companies.

31 March 2020 £000s	Long Term Investments	31 March 2021 £000s	Details
4,239	Lothian Buses plc	2,407	East Lothian Council holds 200,000 ordinary shares representing 3.1% of the share capital. The value of the investment has significantly reduced due to revenue decline and cost pressures as a result of the Covid pandemic. No dividend was therefore received in 20-21.
206	East Lothian Investments Limited	200	The Council's interest, estimated as 40%, was inherited from the former Lothian Investments Board. No dividends are received.
585	East Lothian Land	577	Set up in 2000 for the purpose of managing land to support economic development. The Council is the sole shareholder. No dividends are received.
-	Racecourse Media Group (RMG)	-	Membership arises as part of the management of media rights in relation to Musselburgh racecourse. If the media management arrangements cease the Council has to surrender the shareholding. Consequently no market value is presented for the holding.
5,030	Total	3,184	

Note 22 Long Term Debtors

In addition to short term debt, the Council is owed money by a small number of people and organisations that will be repaid over a period greater than one year, which is summarised below:

31 March 2020 £000s	Long Term Debtors	31 March 2021 £000s	Purpose
389	Public Private Partnerships - Prepaid Lifecycle Replacement Costs	292	Prepaid lifecycle replacement costs - over 30 years
524	Private Property Owners - Common Repairs	490	Repairs to private property funded by secured ELC loans
1	Employees - Car/Other Loans	1	Loans to employees repaid over 3-5 years
8,712	East Lothian Housing Association	8,455	Loans secured on land and houses
(36)	Expected Credit Loss ELHA	(70)	Lifetime expected credit loss on East Lothian Housing Association loan above.
127	East Lothian Investments	25	To support ELI granting of loans to businesses
8	Other	9	Loans secured on houses
9,725	Total	9,202	

Note 23 Inventories

Inventories include materials or supplies held which will be used in the provision of services, as well as assets in the process of production for sale or distribution. Inventories are measured at the lower of cost and net realisable value.

During 2020/21 the Council transferred newly built housing, previously held as inventory, to a third party social housing provider. The sale is therefore now complete with no further housing units being held or built for transfer, and therefore there is a reduction in the Council's total inventory.

Other inventories are for consumption by the Council in the provision of services.

31 March 2020 £000s	Inventories	31 March 2021 £000s
1,378	Housing construction for sale	-
489	Stocks to be consumed in service provision	959
1,867	Total	959

Note 24 Short Term Debtors

A debtor is an amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of the accounting period. The amount owed to the Council as at 31 March 2021 is:

31 March 2020 £000s	Short Term Debtors	31 March 2021 £000s
7,762	Central Government Bodies	10,844
891	Other Local Authorities	1,145
897	NHS Bodies	1,454
-	Public Corporations and Trading Funds	8
22,566	Other Entities and Individuals	25,035
32,116	Total	38,486

Based on past experience and our assessment of collection risks, we have made the following provision against non-payment of these debts:

31 March 2020 £000s	Short Term Debtors Provision Against Non-Payment	31 March 2021 £000s
(5,704)	Taxpayers - Council Tax	(6,924)
(2,366)	Customers - Goods and Services	(2,298)
(2,402)	Tenants - Council House Rents	(2,372)
(10,472)	Total	(11,594)
21,644	Short Term Debtors Total	26,892

Note 25 Financial Instruments

The borrowings and investments disclosed in the Balance Sheet are made up of the following categories of financial instruments:

31 March 2020					31 March 2021				
£000s	£000s	£000s	£000s	Financial Instruments	£000s	£000s	£000s	£000s	£000s
Cash & Cash Equivalents	Debtors	Investments	Debtors	Financial Assets and Other Debtors	Cash & Cash Equivalents	Debtors	Investments	Debtors	Total
Short Term		Long Term			Short Term		Long Term		
30,786	15,089	-	9,336	Held at Amortised Cost	32,853	18,763	-	8,910	60,526
-	-	5,030	-	Designated Equity Instruments held at Fair Value Through Other Comprehensive Income (FVOCI)	-	-	3,184	-	3,184
-	6,555	-	389	Other Debtors (Not Financial Assets)	-	8,129	-	292	8,421
30,786	21,644	5,030	9,725	Total Financial Assets and Other Debtors	32,853	26,892	3,184	9,202	72,131
Borrowings	Creditors	Borrowings	Creditors	Financial Liabilities	Borrowings	Creditors	Borrowings	Creditors	Total
Short Term		Long Term			Short Term		Long Term		
(18,841)	(32,934)	(366,621)	(23,311)	Held at Amortised Cost	(32,306)	(43,701)	(345,822)	(22,249)	(444,078)
-	(19,504)	-	(183,622)	Non-Financial Instruments	-	(21,216)	-	(230,912)	(252,128)
(18,841)	(52,438)	(366,621)	(206,933)	Total Financial Liabilities	(32,306)	(64,917)	(345,822)	(253,161)	(696,206)

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the CIES for interest receivable are based on the carrying amount of the asset, multiplied by the effective rate of interest for the instrument. For most of the loans that the authority has made, this means that the amount

presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to either the relevant service for receivables specific to that service, or the Financing and Investment Income and Expenditure line in the CIES. The impairment loss is measured as the difference between the carrying

amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income (FVOCI)

With the introduction of IFRS 9, an equity instrument can be elected into a 'Fair Value Through Other Comprehensive Income' treatment rather than 'fair value through profit or loss', if it is not held for trading. The impact of an election in relation to an equity instrument to post gains/losses to other comprehensive income, is that movements in fair value will not be debited/credited to the Surplus or Deficit on the Provision of Services as they arise. Instead, movements will be accumulated in the Financial Instruments Revaluation Reserve until the asset is derecognised, at which point the net gain or loss would be transferred to the General Fund Balance, and the gain/loss is recognised in the 'Surplus or Deficit from Investments in Equity Instruments Designated at Fair Value Through Other Comprehensive Income'.

The Council has designated all of its Long Term Investments (Note 21) as Fair Value through Other Comprehensive Income, as they are not held for trading or income generation, rather, longer term policy initiatives. The Council has no current intention to dispose of these shareholdings.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following techniques:

- Instruments with quoted market prices – market price,
- Other instruments with fixed and determinable payments – discounted cash flow analysis,
- Equity shares with no quoted market prices – multiple valuation techniques (which include market approach, income approach and cost approach).

The inputs to the measurement techniques are categorised in accordance with the fair value hierarchy detailed in Note 38.

Where fair value cannot be measured reliably, the instrument is carried at cost less any impairment losses.

Financial Instruments Gains and Losses

The gains and losses recognised in the CIES in relation to financial instruments are made up as follows:

2019/20			2020/21	
Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure	Financial Instruments Income, Expenses, Gains & Losses	Surplus or Deficit on the Provision of Services	Other Comprehensive Income and Expenditure
£000s	£000s		£000s	£000s
		<i>Net Gains/Losses on:</i>		
-	399	Investments in Equity Instruments designated at FVOCI	-	1,845
-	399	Total Net Gains/Losses	-	1,845
		<i>Interest Revenue:</i>		
(527)	-	Financial Assets measured at Amortised Cost	(360)	-
(527)	-	Total Interest Revenue	(360)	-
16,420	-	Interest Expense	16,173	-
14	-	Fee Expense	-	-

Financial Liabilities and Financial Assets – Fair Value

As at 31 March 2021, the Council held £30.857m financial assets and £479.432m financial liabilities. The financial liabilities are held with PWLB, PFI and Market lenders. All of these borrowings were not quoted on an active market and a market valuation is not available. To provide a fair value which provides a comparison to the carrying amount, we have used a financial model valuation provided by Link Asset Services. This valuation applies the Net Present Value approach, which provides an estimate of the value of payments in the future in today's terms as at the Balance Sheet date. This is a widely accepted valuation technique commonly used by the private sector. Our accounting policy uses New Borrowing Rates to discount the future cash flows.

The fair values are shown in the Financial Liabilities and Financial Asset tables.

31 March 2020			31 March 2021	
Carrying Amount	Fair Value	Financial Liabilities	Carrying Amount	Fair Value at Level 2
£000s	£000s		£000s	£000s
(344,818)	(391,382)	PWLB Debt	(327,600)	(396,893)
(40,644)	(58,509)	Non-PWLB Debt	(50,528)	(73,577)
(32,934)	(32,934)	Short Term Creditors	(43,701)	(43,701)
(1,545)	(1,545)	Short Term Finance Lease Liability	(1,577)	(1,577)
(23,311)	(23,311)	Long Term Creditors	(22,249)	(22,249)
(35,354)	(35,355)	Long Term Finance Lease Liability	(33,777)	(33,777)
(478,606)	(543,036)	Total Liabilities	(479,432)	(571,774)

31 March 2020			31 March 2021	
Carrying Amount	Fair Value	Financial Assets	Carrying Amount	Fair Value at Level 2
£000s	£000s		£000s	£000s
-	-	Short Term Investments	-	-
5,030	5,030	Long Term Investments	3,184	3,184
15,089	15,089	Short Term Debtors	18,763	18,763
9,336	9,336	Long Term Debtors	8,910	8,910
29,455	29,455	Total Assets	30,857	30,857

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans, where the interest rate payable is higher than the rates available for similar loans in the market at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2021) arising from a commitment to pay interest to lenders above current market rates.

The fair value of Public Works Loan Board (PWLB) loans of £396.893m measures the economic effect of the terms agreed with the PWLB, compared with estimates of the terms that would be offered for

market transactions undertaken at the Balance Sheet date. The difference between the carrying amount and the fair value, measures the additional interest that the authority will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

Key risks

The Council's activities expose it to a variety of financial risks. The key risks are:

- Credit risk - the possibility that other parties might fail to pay amounts due to the Council,
- Market risk - the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements,
- Liquidity risk - the possibility that the Council might not have funds available to meet its commitments to make payments,
- Re-financing risk - the possibility that the Council might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms.

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the Council in the annual treasury management strategy. The Council provides written principles for overall risk management, as

well as written policies (covering specific areas such as interest rate risk, credit risk and the investment of surplus cash).

Expected Credit Losses / Credit Risk

The changes in the loss allowance for investments and trade receivables during the year are shown in the Expected Credit Loss table.

31 March 2020				31 March 2021		
12 Month	Lifetime	Lifetime	Expected Credit Loss (ECL)	12 Month	Lifetime	Lifetime
ELHA	ELHA	Sundry Accounts		ELHA	ELHA	Sundry Accounts
£000s	£000s	£000s		£000s	£000s	£000s
71	-	1,241	Opening Balance Individual Financial Assets	-	36	1,001
(71)	72	-	Transferred from (to) 12 Month ECL	-	-	-
-	(36)	(240)	Changes in Models/Risk Parameters	-	34	(26)
-	36	1,001	Closing Balance	-	70	975

During the year the authority wrote off financial assets with a contractual amount outstanding of £251k (£782k in 2019/20).

The Expected Credit Loss (ECL) required under IFRS 9 was calculated for East Lothian Housing Association (ELHA) and for East Lothian Investments (ELI) on a lifetime expected credit loss due to COVID-19. This was based for ELHA on an 85% expectation of full collection, an 11% expectation of 99.96% collection (this rate was provided by a

professional rating agency) and a 4% expectation of an 80% collection due to COVID-19 of the carrying amount of £8.71m. ELI was based on a 90% expectation of full collection, an 8% expectation of 99.94% collection (this rate was provided by a professional rating agency) and a 2% expectation of a 75% collection due to COVID-19 of the carrying amount of £0.13m.

Also to comply with IFRS 9, the ECL calculation of the Sundry Accounts provides for lifetime expected losses. This is calculated using a simplified approach methodology based on the type and age of the debt. The age of the debt is shown in the Credit Risk table.

31 March 2020	31 March 2021
£000s	£000s
1,532	3,358
269	357
163	847
2,007	2,067
3,971	6,629

Market Risks

Price Risk

The Council does not generally invest in equity shares or marketable bonds.

However, it does have shareholdings to the value of £3.184m in a number of joint ventures and in local industry. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the price of the shares. The shares are all classified as Equity Instruments Designated as Fair Value through Other Comprehensive Income, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation reserve.

As the shareholdings have arisen in the acquisition of specific interests, the Council is not in a position to limit its exposure to price movements by diversifying its portfolio. Instead, it only acquires shareholdings in return for “open book” arrangements with the company concerned, so that the Council can monitor factors that might cause a fall in the value of specific shareholdings.

On behalf of the Trusts and Common Good Funds, the Council does invest in equities and bonds via a professional investment management company. The investment managers seek to secure and grow the capital value of the funds whilst generating a return on those assets that the Trusts and Common Goods can use. The choice of investments is at the discretion of the investment managers, guided by the underlying objective of securing the current and longer-term value of the funds.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

Interest Rate Risk

The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates

move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the CIES will rise.
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances).
- Investments at variable rates – the interest income credited to the CIES will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the Balance Sheet, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the Other CIES.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the Council’s prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this strategy, a treasury indicator is set which provides maximum limits for fixed and variable interest rate exposure. The treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance, during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods, to secure better long term returns; similarly the drawing of longer term fixed rate borrowing would be postponed.

According to this assessment strategy, at 31 March 2021, if all interest rates had been 1% higher (with all other variables held constant) the financial effect is shown in the Interest Rate Risk table.

31 March 2020 £000s	Interest Rate Risk	31 March 2021 £000s
-	Increase in Interest Payable on Variable Rate Borrowings	-
(143)	Increase in Interest Receivable on Variable Rate Borrowings	(284)
(143)	Impact on Surplus or Deficit on the Provision of Services	(284)
(67)	Share of overall impact debited to the HRA	(67)
64,737	*Decrease in Fair Value of Fixed Rate Borrowings Liabilities	69,906

**No impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure*

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Note – Fair Value of Assets and Liabilities carried at Amortised Cost.

Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (the setting and approval of prudential indicators and the approval of the treasury and investment strategy reports), as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice; this seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day-to-day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. Therefore, there is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

All short term debtors (£26.892m) are due to be paid to the Council in less than one year.

Refinancing and Maturity Risk

The Council maintains a significant debt portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature.

The maturity analysis of financial liabilities is as follows, with the maximum and minimum limits for fixed interest rates maturing in each period (approved by council in the Treasury Management Strategy, section 5.1.3):

Actual 31 March 2020 £000s	Refinancing and Maturity Risk	Approved Minimum Limits	Approved Maximum Limits	Approved Maximum Limits 2021 £000s	Actual 31 March 2021 £000s
17,271	Less Than 1 Year	0%	20%	75,110	30,772
20,773	Between 1 and 2 Years	0%	30%	112,665	13,239
32,683	Between 2 and 5 Years	0%	40%	150,220	20,517
31,694	Between 5 and 10 Years	0%	40%	150,220	40,883
280,410	More than 10 Years	0%	75%	281,662	270,137
382,831	Total				375,548

Note 26 Short Term Creditors

A creditor is an amount owed by the Council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period. The amounts owed by the Council as at 31 March 2021 were:

31 March 2020 £000s	Short Term Creditors	31 March 2021 £000s
(6,839)	Central Government Bodies	(10,326)
(2,260)	Other Local Authorities	(3,010)
(158)	NHS Bodies	(364)
(1)	Public Corporations	-
(32,968)	Other Entities and Individuals	(34,810)
(42,226)	Total	(48,510)

Note 27 Provisions and Contingent Liabilities

Provisions are made where an event has taken place that gives the authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Cost or Valuation	Affordable Homes and Accumulated Absences £000s	Municipal Mutual £000s	Other Provisions £000s	Total £000s
Balance at 1 April 2019	(5,187)	(109)	-	(5,296)
Provisions Made in 2019/20		-	(350)	(350)
Provision Reversed in 2019/20	1,542	-	-	1,542
Amounts Used in 2019/20	3,645	-	-	3,645
Balance at 31 March 2020	-	(109)	(350)	(459)
Balance at 1 April 2020	-	(109)	(350)	(459)
Provisions Made in 2020/21	-	-	(461)	(461)
Balance at 31 March 2021	-	(109)	(811)	(920)

Provisions are charged to the appropriate service revenue account in the CIES in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are

reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service revenue account.

Where some or all of the payment required to settle a provision is expected to be met by another party (e.g. from an insurance claim), this is recognised as income in the relevant service revenue account only if it is virtually certain that reimbursement will be received.

Municipal Mutual

During the early 1990s, Municipal Mutual Insurance Limited (MMI), which was the main insurer of local authorities across the country, ran into financial difficulties. The MMI business was subsequently acquired by another insurance company with the plan to wind-up its activities. Previously, the expectation was that there would be a solvent run-down of the business and that there would be sufficient funds to meet all the current and future insurance claims. During 2012/13 however, East Lothian Council as one of the company's creditors, was informed that a solvent run-down is now unlikely and a pre-arranged Scheme of Arrangement would be triggered. Under the scheme, the creditors are required to pay a levy designed to meet the deficit between assets and liabilities.

Other Provisions

The Council is involved in an employment related dispute which has the potential for a settlement to be required. Due to the ongoing nature of the dispute it is not appropriate to include further details of the matter. The determination of whether settlement will be required is uncertain, and the provision is recognised against the possibility of the Council being required to settle the matter.

Additionally other provisions includes an estimated obligation relating to lease dilapidation commitments.

Historic Child Abuse Claims

A change in legislation has removed a time-limit for compensation claims related to child abuse cases. The Council recognises that this could result in a potential liability to the authority, however the likelihood of such a liability which might arise from historic or current cases cannot be quantified. Consequently the Council has not recognised a provision for potential claims, but considers them to be a contingent liability.

Common Good Assets Judicial Review

In August 2020 a judicial review, involving Common Good assets under the care of Angus Council, concluded that assets built on Common Good land, and which are not held under a separate title, should be regarded as part of the Common Good land title. This implies that some buildings currently regarded as under the ownership of East Lothian Council, and potentially third parties, may require to be treated as Common Good assets. A transfer of assets to the Common Good may therefore potentially arise. The impact of the review on East Lothian Council cannot currently be quantified and is subject to further investigation by the Council. Consequently the Council has not recognised a provision for any transfer, but considers this to be a contingent liability.

Note 28 Long Term Liabilities

Long term liabilities are creditors whom the Council is not due to pay within the next 12 months.

31 March 2020 £000s	Long Term Liabilities	31 March 2021 £000s	Description of Liability
(23,311)	Deferred Liabilities - Developers Contributions	(22,249)	These amounts represent the payments received from developers and are linked to future capital spending. Funding is retained until project is completed.
(356)	Deferred Liabilities - Rental Income in Advance	(351)	Income to be released over the lease period.
(748)	Other	(733)	Other long term commitments including lifetime replacement of 3G pitches and tennis courts.
(35,351)	PPP and Finance Lease Liabilities	(33,774)	This amount represents the outstanding obligations that the Council has in relation to finance and PFI leases. More details are provided in Notes 17 and 18.
(146,708)	Net Pension Liabilities	(196,054)	The liabilities are the underlying commitments that the Council has to pay retirement benefits. Recovered from the Council over future years. More details are provided in Note 29.
(206,474)	Total Long Term Liabilities	(253,161)	

Note 29 Defined Benefit Pension Schemes

Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments for those benefits and to disclose them at the time that employees earn their future entitlement.

The Council participates in two post-employment schemes:

- The Local Government Pension Scheme, administered by the Lothian Pension Fund operated by the City of Edinburgh Council – this is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement – this is an unfunded defined benefit arrangement under which liabilities are recognised when awards are made. However, no investment assets are built up to meet these pension liabilities

and cash has to be generated to meet actual payments as they fall due.

The Lothian Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme (LGPS) and the governance of the scheme is the responsibility of the pensions committee of City of Edinburgh Council. Policy is determined in accordance with the pension fund regulations.

The principal risks to the authority of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme, changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund and Housing Revenue Account the amounts required by statute as described later in this note.

Discretionary Post-Retirement Benefits

Discretionary post-retirement benefits on early retirements are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no assets built up to meet these pension liabilities.

Transactions relating to retirement benefits

The change in the net pension liability is analysed into the following components:

- Service cost comprising:
 - Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the CIES to the services for which the employees worked.
 - Past service cost – the increase in liabilities is a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Corporate and Central Services.
 - Net Interest on the net defined benefit liability i.e. net interest expense for the authority – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit

liability at the beginning of the period – taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

is automatically included within the liability reported at 31 March 2021.

is included in the liability at 31 March 2021.

○ Re-measurements comprising:

- The return on plan assets – excluding amounts included in the net interest on the net defined liability; charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions; charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Lothian Pension Fund – cash paid as employer’s contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

31 March 2020 £000s	Defined Benefit Pension Schemes	31 March 2021 £000s
Comprehensive Income and Expenditure Statement		
Cost of Service Comprising:		
30,010	Current Service Cost	27,098
(4,933)	Past Service Costs (Including Curtailments)	1
Financing and Investment Income and Expenditure		
4,422	Net Interest Expense	3,478
29,499	Total Post Employment Benefit Charged to the Surplus or Deficit	30,577
Other Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement		
Remeasurement of the Net Defined Benefit Liability Comprising:		
40,565	Return on Plan Assets (Excluding amount Included in the Net Interest Expense)	(83,403)
(79,741)	Actuarial Gains and Losses Arising on Changes in Financial Assumptions	159,011
-	Actuarial Gains and Losses Arising on Changes in Demographic Assumptions	(33,403)
(4,362)	Other Remeasurement Experiences	(5,629)
(43,538)	Total Post-Employment Benefits Charged to the Comprehensive Income and Expenditure Statement	36,576
Movement in Reserves Statement		
(12,471)	Reversal of Net Charges Made to the Surplus or Deficit on the Provision of Services for Post-Employment Benefits in Accordance with the Code.	(12,770)
Actual Amount Charged Against the General Fund Balance for Pensions in the Year		
16,588	Employers Contributions Payable	17,327

Effects of Recent Court Cases

- GMP equalisation/indexation treatment – An allowance for full GMP indexation was included within the 31 March 2020 funding valuation position and therefore the allowance

- GMP equalisation/historical transfers – The information from our actuary is that this further ruling is unlikely to be significant in terms of impact on the pension obligation. No allowance

- McCloud – An allowance for the estimated impact of the McCloud judgement was included within the 31 March 2020 funding valuation position and therefore the allowance is automatically included within the

liability reported at 31 March 2021. No explicit additional adjustment for McCloud has been added to the current service cost for 2020/21. Any changes to the allowance previously made are included in the remeasurement figures.

- Goodwin - An employment tribunal case (Goodwin v Department for Education) has also established a requirement that UK LGPS funds should pay equal survivor benefits between same and opposite sex widowers. A full actuarial analysis and reliable quantification is not currently available and as such this matter is disclosed as a contingent liability. An initial actuarial estimate however indicates that the impact may be to increase pension liabilities

by approximately 0.1 to 0.2%, which could represent some £0.9 to £1.7 million (2019/20 0.11%, £0.8 million).

Statutory Charge to the General Fund/HRA

Statutory provisions require the General Fund Balance to be charged with the amount payable by the authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the MiRS, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the Pension Fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pension Reserve thereby measures the

beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows, rather than as benefits are earned by employees. We recognise the cost of retirement benefits in the reported cost of services when employees earn them, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund and Housing Revenue Account via the MiRS. The Defined Benefit Pension Schemes table shows transactions have been made in the CIES and the General Fund Balance via the MiRS during the year.

Pension assets and liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plan is as follows:

2019/20 £000s	Pension Assets and Liabilities Recognised in the Balance Sheet	2020/21 £000s
(738,619)	Present Value of the Defined Benefit Obligation	(873,599)
591,911	Fair Value of Plan Assets	677,545
(146,708)	Net Liability Arising from Defined Benefit Obligation	(196,054)

The Reconciliation of the Movements in the Fair Value of the scheme assets is as follows:

31 March 2020 £000s	Reconciliation of the Movements in the Fair Value of the Scheme Assets	31 March 2021 £000s
614,176	Opening Fair Value of Scheme Assets	591,911
14,782	Interest Income	13,623
	Remeasurement Gain/(Loss):	(13,008)
(40,565)	Return on Plan Assets, Excluding the Amount Included in the Net Interest Expense	83,403
17,028	Contributions from Employer	17,807
4,288	Contributions from Employees into the Scheme	4,486
(17,798)	Benefits Paid	(20,677)
591,911	Closing Fair Value of Scheme Assets	677,545

The reconciliation of the present value of the scheme liabilities is as follows:

31 March 2020 £000s	Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)	31 March 2021 £000s
(791,951)	Opening Balance at 1 April	(738,619)
(30,010)	Current Service Cost	(27,098)
(19,204)	Interest Cost	(17,101)
(4,288)	Contributions from Scheme participants	(4,486)
	Remeasurement (Gains) and Losses:	
79,741	Actuarial (Gains)/Losses Arising from Changes in Financial Assumptions	(159,011)
-	Actuarial (Gains)/Losses Arising from Changes in Demographic Assumptions	33,403
4,362	Other	18,637
4,933	Past Service Cost	(1)
17,798	Benefits Paid	20,677
(738,619)	Closing Balance at 31 March	(873,599)

The maturity profile of the scheme liabilities is as follows:

Maturity Profile of Defined Benefit Obligation	Liability Split £000s	Liability Split %
Active Members	(459,982)	53.6%
Deferred Members	(108,015)	12.6%
Pensioner Members	(289,595)	33.8%
Total for Funded Obligations	(857,592)	100.0%
Unfunded Pensioner Liabilities	(16,007)	
Total Pension Liability	(873,599)	

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc.

The Local Government Pension Scheme liabilities have been estimated by Hymans Robertson, an independent firm of actuaries. The liabilities for the Lothian Pension Fund at 31 March 2021 have been assessed by rolling forward the value of the liability calculated at the latest formal valuation date (31 March 2020), allowing for the different financial assumptions required under the Accounting Standard at the reporting date.

The liability includes an approximate allowance for the McCloud judgement and Guaranteed Minimum Pension (GMP) indexation.

The main financial assumptions in the actuaries' calculations are shown in the tables.

Male 2019/20	Female 2019/20	Mortality Assumptions Longevity at Age 65	Male 2020/21	Female 2020/21
21.7	24.3	Current Pensioners	20.5	23.3
24.7	27.5	Future Pensioners	21.9	25.2
2019/20		Rate of Inflation	2020/21	
	3.5%	Rate of Increase in Salaries	3.4%	
	1.9%	Rate of Increase in Pensions	2.9%	
	2.3%	Rate for Discounting Scheme Liabilities	2.0%	

The following sensitivity analysis demonstrates the potential effect on the defined obligation in the scheme as a result of changes in the underlying assumptions:

Impact on the Defined Benefit Obligation in the Scheme	Approximate % Increase to Defined Benefit Obligation	Approximate Monetary Amount
Actuarial Assumptions Sensitivity Analysis	%	£000s
0.5% decrease in Real Discount Rate	10%	84,893
0.5% increase in the Salary Increase Rate	1%	10,089
0.5% increase in the Pension Increase Rate	8%	72,890

The fair value of the Lothian Local Government Pension Scheme Assets was determined as indicated in the table. An analysis of the Lothian LGPS scheme assets is available in the most recent [Lothian Pension Fund annual report and accounts](#).

31 March 2020	Scheme Assets Fair Value	31 March 2021
£000s		£000s
449,253	Quoted Prices in Active Markets	534,725
142,658	Quoted Prices not in Active Markets	142,820
591,911	Total	677,545

Impact on Council's Cash Flows

The liabilities show the underlying commitments that the Council has in the long term to pay retirement benefits. The net liability of £196.054 million has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the deficit mean that the financial position of the Council is balanced by a pension reserve, giving a neutral net position relating to the pension liability. The deficit will result in increased contributions in future years, as assessed by the scheme actuary.

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2022 is £17.791 million.

Pension schemes accounted for as defined contribution schemes

Teachers employed by the Council are members of the Scottish Teachers' Pension Scheme (STPS), administered by the Scottish Public Pensions Agency (SPPA). The Scheme

provides teachers with specified benefits upon their retirement and the Council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The scheme is a defined benefit scheme. Although the scheme is unfunded, the STPS uses a notional fund as the basis for calculating the employers' contribution rate paid by local education authorities. However, it is not possible for the Council to identify a share of the underlying liabilities in the scheme attributable to its own employees. This means it is not possible to identify the extent to which a surplus or deficit in the scheme may affect the amount of future contributions. For the purposes of the Annual Accounts, it is therefore accounted for on the same basis as a defined contribution scheme.

In 2020/21, the Council paid £10.2m (2019/20: £8.62m) to the Scottish Teachers Superannuation Scheme in respect of teachers' retirement benefits, representing 23% of pensionable pay (2019/20: 17.2%

from April 2019, increasing to 23% from September 2019). The estimated contribution for 2021/22 is £11.34m.

The Council is responsible for the costs of any additional benefits awarded upon early retirement, outside of the terms of the STPS. In 2020/21, the Council paid £0.488m (2019/20: £0.506m) to teachers' pensions in respect of these retirement benefits.

Ex-Gratia Scheme

Under Regulation 45 of The Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998, the Council awarded an Ex-Gratia discretionary allowance to retiring employees in respect of service for which they were ineligible to join the pension fund prior to 1986.

In 2020/21, the Council paid £0.06m (2019/20: £0.06m) to individuals. The estimated value of future liabilities based on actuarial mortality estimates is £0.313m.

Note 30 Usable Reserves

Usable Reserve	General Fund £000s	Capital Grant & Receipts Unapplied £000s	Capital Receipts Reserve £000s	Insurance Fund £000s	Housing Revenue Account £000s	Total £000s
Balance at 31 March 2020	(16,154)	(245)	(713)	(2,009)	(2,009)	(21,130)
(Surplus) / Deficit on Provision of Service	(14,553)	-	-	-	9,336	(5,217)
Depreciation charged to Revaluation Reserve	(7,466)	-	-	-	(2,607)	(10,073)
Adjustments Between Accounting and Funding Basis	9,548	-	(1,488)	-	(6,729)	1,331
Transfers Between Reserves	297	-	-	(297)	-	-
Balance at 31 March 2021	(28,328)	(245)	(2,201)	(2,306)	(2,009)	(35,089)

Movements in the Council's Usable Reserves are detailed in the MiRS within the Main Financial Statements.

General Fund Balance

The General Fund is the statutory fund into which all of the receipts of an Authority are required to be received and which all of the liabilities are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment at the end of the financial year.

Capital Grants and Receipts Unapplied Balance

The Capital Grants and Receipts Unapplied allows capital receipts to be used to transform service delivery to reduce costs and/or reduce demand. This ability is only available to councils up to 2021/22. As at 31 March 2021 the reserve consists solely of capital receipts held for this purpose. It does not hold any capital grant balances.

Capital Receipts Reserve

The Council has statutory powers to hold a Capital Receipts Reserve to meet future capital investment costs, either reducing loans fund advances or providing funds to cover the principal repayments of the loans fund. Some £627,000 of the balance at 31 March 2021 (31 March 2020: nil) relates to the Housing Revenue Account to be used for the benefit of HRA tenants.

Insurance Fund Balance

The Insurance Fund is used where the authority could insure against a risk but has chosen not to do so, defraying any loss or damage suffered or expenses incurred by the authority as a consequence of that risk. It can also be used to pay premiums on a policy to insure against a risk.

Housing Revenue Account Balance

The Housing Revenue Account reflects a statutory obligation to maintain a revenue account for local authority housing provision in line with the Housing (Scotland) Act 1987. It contains the balance of income and expenditure as defined by the 1987 Act that is available to fund future expenditure in connection with the Council's landlord function.

Note 31 Unusable Reserves

Unusable reserves cannot be used to support services. Unusable reserves include gains and losses which will only become available to support services if the assets are sold. These gains and losses are referred to as unrealised. The authority has several different unusable reserves, the balances of which are shown in this table, with expanded explanations below.

31 March 2020 £000s	Unusable Reserve	31 March 2021 £000s
(232,422)	Revaluation Reserve	(319,448)
146,708	Pensions Reserve	196,054
4,017	Employee Statutory Adjustment Account	4,794
(278,523)	Capital Adjustment Account	(293,129)
(4,031)	Financial Instruments Revaluation Reserve	(2,186)
2,864	Financial Instruments Adjustment Account	2,593
(361,387)	Total	(411,322)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of its PPE. The balance is reduced when assets with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Used in the provision of services and the gains are consumed through depreciation
- Disposed of and the gains are realised.

The reserve contains revaluation gains only since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

31 March 2020 £000s	Revaluation Reserve	31 March 2021 £000s
(245,982)	Balance at 1 April	(232,422)
(5,809)	Upward Revaluation of Assets	(112,635)
8,800	Downward Revaluation of Assets and Impairment Losses Not Charged to the Surplus/Deficit on the Provision of Services	15,536
2,991	Surplus of Deficit on Revaluation of Non-Current Assets not Posted to the Surplus or Deficit on the Provision of Services	(97,099)
10,569	Depreciation charged to the Revaluation Reserve	10,073
(232,422)	Balance at 31 March	(319,448)

Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pension for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

31 March 2020 £000s	Pension Reserve	31 March 2021 £000s
177,775	Balance at 1 April	146,708
(43,538)	Actuarial Gains or Losses on Pensions Assets and Liabilities	36,576
29,499	Reversal of Items Relating to Retirement Benefits Debited or Credited to the Surplus or Deficit on the Provision of Services in the CIES	30,577
(17,028)	Employer's Pension Contributions and Direct Payments to Pensioners Payable in the Year	(17,807)
146,708	Balance at 31 March	196,054

Employee Statutory Adjustment Account

The Employee Statutory Adjustment Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year (e.g. annual leave entitlements carried forward at 31 March). Statutory arrangements require that the impact on the General Fund balance is neutralised by transfer from the account.

31 March 2020 £000s	Employee Statutory Adjustment Account	31 March 2021 £000s
3,645	Balance at 1 April	4,017
(3,645)	Settlement or Cancellation of Accrual Made at End of the Preceding Year	(4,017)
4,017	Amount Accrued at the End of the Current Year	4,794
372	Amount by Which Employee Remuneration Charged to the CIES on an Accruals Basis is Different from Remuneration Chargeable in the Year in Accordance with Statutory Requirements	777
4,017	Balance at 31 March	4,794

Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert current and fair value figures to a historical cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancements. The Account also contains revaluation gains accumulated on PPE before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

Note 7 provides details of the source of all of the transactions posted to the account.

31 March 2020 £000s	Capital Adjustment Account	31 March 2021 £000s
(248,147)	Balance at 1 April	(278,523)
26,067	Depreciation charged to the Capital Adjustment Account	27,305
9	Intangible asset amortisation charged to the Capital Adjustment Account	144
(229)	Revaluation Gains / Losses on Property, Plant and Equipment	(7,558)
(36)	Charges for expected credit loss of Non-Current financial assets funded as capital expenditure	34
10,017	Impairment Losses on Property, Plant and Equipment	11,358
36	Assets Written Off on Disposal or Sale	631
35,864	Net Amounts Written Out of the Cost of Non-Current Assets Consumed in the Year	31,914
	Capital Financing applied in the year	
(373)	Use of Capital Receipts Reserve to Finance New Capital Expenditure	-
(43,634)	Capital Grants and Contributions Credited to the CIES that Have Been Applied to Capital Financing	(29,071)
(13,816)	Statutory Provision for the Financing of Capital Investment Charged Against the General Fund and HRA Balances	(13,928)
(8,417)	Capital Expenditure Charged Against the General Fund and HRA Balances	(3,521)
(66,240)		(46,520)
(278,523)	Balance at 31 March	(293,129)

Financial Instruments Revaluation Reserve

The Financial Instrument Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are designated as measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are:

- Revalued downwards or impaired and the gains are lost
- Disposed of and the gains are realised.

Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account adjusts the timing of charges to fund balances for some financial instrument transactions.

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provisions.

The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the CIES when they are incurred, but reversed out of the General Fund Balance to the Account in the MiRS. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on Council Tax. In the Council's case this period is the unexpired term that was outstanding on the loans when they were redeemed.

31 March 2020 £000s	Financial Instruments Revaluation Reserve	31 March 2021 £000s
(4,429)	Balance at 1 April	(4,031)
398	Downward Revaluation of Investments	1,845
(4,031)	Balance at 31 March	(2,186)

31 March 2020 £000s	Financial Instruments Adjustment Account	31 March 2021 £000s
3,132	Balance at 1 April	2,864
(12)	Annual charge for effective interest rate adjustments related to historic stepped interest rate borrowing	(15)
(256)	Annual recharge of deferred premiums from the refinancing of debt	(256)
(268)	Amount by Which Finance Costs Charged to the CIES are Different from Finance Costs Chargeable in the Year in Accordance with Statutory Provisions	(271)
2,864	Balance at 31 March	2,593

As at 31 March 2021 the balance of the account represented £1.535m (2019/20: £1.790m) relating to historic deferred premiums, with six years remaining, arising from the early repayment of debt. The remaining £1.058m (2019/20: £1.074m) relates to the adjustment to interest charges for historic stepped interest rate borrowing.

Note 32 Movements in Earmarked Reserves

The amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2020/21 are:

	Mid and East Lothian Drugs & Alcohol Project £000s	Devolved School Management Balances £000s	Statutory Earmarking of Council Tax Income for Affordable Housing £000s	Cost Reduction Fund £000s	Civil Emergency Fund £000s	General Services Capital £000s	Committed for 2021- 2023 Budgets £000s	Other Balances £000s	Total £000s
Balance At 1 April 2019	(303)	(131)	-	(3,767)	(2,000)	(2,282)	-	(485)	(8,968)
Transfers Out during 2019/20	-	421	-	322	-	-	-	-	743
Transfers In during 2019/20	-	(311)	(1,962)	-	-	-	(1,716)	-	(3,989)
Balance at 31 March 2020	(303)	(21)	(1,962)	(3,445)	(2,000)	(2,282)	(1,716)	(485)	(12,214)
Transfers Out during 2020/21	267	-	402	-	-	-	-	45	714
Transfers In during 2020/21	-	(1,050)	(504)	-	-	-	(1,379)	-	(2,933)
Balance at 31 March 2021	(36)	(1,071)	(2,064)	(3,445)	(2,000)	(2,282)	(3,095)	(440)	(14,433)

Note 33 Capital Grant Receipts in Advance

The Council has received a number of grants and contributions that have not been recognised as income immediately as the conditions attached to them have not been met. There may be circumstances in which the Council has to return the funds to the provider.

2019/20 £000s	Capital Grants & Contributions Receipts in Advance	2020/21 £000s
(5)	Scottish Futures Trust	(5)
(1,115)	Town Centre Regeneration Fund	(1,458)
(9,093)	Early Learning and Child Care	(12,683)
-	- A1 Junction contribution	(2,139)
-	- Visit Scotland	(70)
-	- NHS	(17)
-	- Roads contributions	(35)
(10,213)	Total	(16,407)

Note 34 Grant Income

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as due to the authority when there is a reasonable assurance that:

- the Council will comply with the conditions attached to the payments, and
- grants or contributions will be received.

Amounts recognised as due to the authority are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. It is stipulated that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-specific Grant Income and Expenditure (non-ring-fenced revenue grants and all capital grants) in the CIES. Where capital grants are credited to the CIES, they are reversed out in the General Fund Balance in the MiRS.

2019/20 £000s	Grant Income	2020/21 £000s
Restated	Credited to Taxation & Non-Specific Grant Income	
(191,680)	Government grants	(214,044)
(26,070)	Non Government grants	(11,206)
(217,750)	Total	(225,250)

2019/20 £000s	Grant Income	2020/21 £000s
Restated	Credited to Services	
(18,791)	Government Grant: Housing Benefit Subsidy	(18,851)
(12,006)	Government Grant & Contributions: NHS	(14,879)
(11,876)	Government Grant & Contributions: Other	(17,447)
(613)	Non-Government Grants & Contributions	(1,453)
(43,286)	Total	(52,630)

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Note 35 Cash Flow Statement – Non Cash Movements

The surplus or deficit on the provision of services (in the Operating Activities section of the Cash Flow Statement) has been adjusted for the following non-cash movements:

Authority 2019/20 Restated £000s	Group 2019/20 Restated £000s	Adjustment to Net Surplus	Authority 2020/21 £000s	Group 2020/21 £000s
(36,646)	(36,821)	Depreciation	(37,522)	(37,695)
(10,017)	(10,017)	Impairments and Downward Valuations	(11,358)	(11,358)
229	176	Revaluation of Assets	7,558	7,557
	(898)	Increase (Decrease) in fair value of investments	-	1,532
(36)	(36)	Carrying Amount of Non-Current Assets Held for Sale, Sold or Derecognised	(631)	(705)
(29,499)	(29,499)	Net Charges Made for Retirement Benefits in Accordance with IAS 19	(30,577)	(30,577)
17,028	17,028	Employer's Contributions Payable to the Lothian Pension Fund	17,807	17,807
-	12	Non Cash Interest Adjustment	15	15
-	(136)	Change in Associates SDPS - Non-Cash Movement	-	3,159
12	2	Investment income adjustment	-	-
(331)	(331)	Decrease (Increase) in interest charges accrued	37	37
4,837	4,837	Decrease (Increase) in Provisions	(461)	(461)
1,272	1,272	Increase (Decrease) in Inventories	(907)	(907)
(4,774)	(4,323)	Decrease (Increase) in Revenue Creditors	(4,802)	(4,818)
(13,282)	(13,688)	Increase (Decrease) in Revenue Debtors	4,724	4,800
(71,207)	(72,422)	Total	(56,117)	(51,614)

Note 36 Cash Flow Statement - Investing and Financing Activities

The surplus or deficit on the provision of services (in the Operating Activities section of the Cash Flow Statement) has been adjusted for the following investing and financing activities:

2019/20 Restated £000s	Adjustments for Items Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	2020/21 £000s
43,634	Proceeds from Capital Grants	29,071
-	Proceeds from Short-Term Investments	
1,086	Proceeds from Sale of PPE, Assets Held for Sale and Other Non-Current Assets	1,488
44,720	Total	30,559

Note 37 Material Items of Income and Expense

Where items are not disclosed on the face of the CIES, the Council is required to disclose the nature and amount of material items. Material items of expenditure charged to services in the year are shown in the table.

Material items of income credited to service revenue accounts within the CIES largely relate to grants and contributions and these are disclosed in Note 34. Subsidy income in relation to the payments of Housing Benefit (included in the table above) is also disclosed in Note 34.

2019/20 £000s	Material Items of Income and Expense	2020/21 £000s
36,646	Depreciation and Amortisation Charged on Assets	37,522
10,017	Impairments and Downward Valuations	11,358
18,515	Housing Benefit Paid	18,794
9,693	Unitary Charge/PPP Payments to Contractor	9,900

Note 38 Fair Value Hierarchy

Fair Value Measurement

The authority measures some of its equity instruments and non-financial assets, such as surplus assets, at fair value at each reporting date. Fair value is the price that would be received upon selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or;
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to the valuation techniques in respect of assets and liabilities, for which fair value is measured or disclosed in the Council's financial statements, are categorised within the fair value hierarchy as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the authority can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – unobservable inputs for the asset or liability.

Details of the authority's surplus assets and information about the fair value hierarchy as at 31 March 2021, are shown in the Fair Value Hierarchy table:

31 March 2020 Total Fair Value £000s	Fair Value Hierarchy	31 March 2021 Total Fair Value £000s
	<i>Recurring fair value measurements at Level 2 for:</i>	
5,030	Equity Instruments	3,184
4,956	Non-Financial Assets	4,963
9,986	Total	8,147

Valuation Techniques used to Determine Level 2 Fair Values for Non-Financial Assets

Significant Observable Inputs – Level 2

The fair value for the properties has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

Notes to the Group Financial Statements

The Council undertakes a broad range of activities, often in conjunction with external organisations. In some cases, the Council has an interest in these organisations demonstrated through ownership or control/significant influence.

The CIPFA Code of Practice requires that, where the Council has material financial interests and a significant level of control over one or more entities, it should prepare group accounts. The aim of these

statements is to give an overall picture of the Council's financial activities and the resources employed in carrying out those activities.

In order to give these group statements their due prominence they have been displayed alongside the Council's own statements. The following notes provide further information regarding these entities and the transactions included in the group accounts.

Note G1 Combining Entities

The extent of the Council's interest in these entities has been reviewed in determining those that should be consolidated and incorporated within the Group Accounts. Under accounting standards, the Council is required to fully consolidate the results of all subsidiary companies into the Group Accounts using the acquisition method of accounting. Associates and joint ventures have been accounted for using the equity

method of accounting, where the original investment in the Council's accounts are adjusted for post-acquisition changes and the Council's share of surplus or deficits is recognised through the CIES. Where applicable, consolidation adjustments have been made to eliminate inter-group transactions.

Note G2 Associates and Joint Ventures

Associates and Joint Ventures	Percentage Share 2019/20	Percentage Share 2020/21	Carrying Value at 31 March 2021 £000s	Share of (Surplus) or Deficit 2020/21 £000s	Other CIES Items 2020/21 £000s
East Lothian Investments	40.00%	40.00%	200	2	-
Enjoy East Lothian Ltd	33.33%	36.36%	274	376	200
Brunton Theatre Trust	40.00%	28.57%	188	(13)	-
East Lothian IJB	40.00%	50.00%	4,804	(3,605)	-
Lothian Valuation Joint Board	12.50%	12.50%	(893)	81	187
Total			4,573	(3,159)	387

Associate entities are those over which the Council has been deemed to exercise significant influence. The entities, along with the relative share shown in the table, have been treated as associate companies within the terms of the Code of Practice on Local Authority Accounting.

These associates and joint ventures have been incorporated in line with the draft financial statements made available to East Lothian Council.

East Lothian Investments Ltd

East Lothian Investments (ELI) principal activity is granting interest free loans to businesses in East Lothian, with the aim of encouraging commercial activity and enterprise in the area. Two of the five directors of ELI are councillors of East Lothian Council.

Enjoy East Lothian Ltd

Enjoy East Lothian Limited (Enjoy) was established to manage, under contract, sports and leisure facilities and services on behalf of East Lothian Council. The current contract between Enjoy and the Council runs until 31 September 2021. All of the facilities are owned by the Council, with the exception of Dunbar Leisure Pool, which is wholly owned by Enjoy. Four of the 11 directors are councillors of East Lothian Council.

Although disclosed as an associate company, Enjoy East Lothian is limited in its ability to transfer financial benefits to East Lothian Council. Enjoy East Lothian Limited is a registered charity and the Memorandum of Association states that no portion of the income or assets shall be paid or transferred directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the company. Likewise, the Articles of Association relating to East Lothian Investments, restrict the payment or transference of

income, either directly or indirectly, by way of dividend, bonus or otherwise, to members of the company.

Brunton Theatre Trust

Brunton Theatre Trust aims to provide a widely accessible programme for the enrichment and enjoyment of audiences and participants. Projects are undertaken that encourage harder to reach groups to engage with the work presented and the associated creative learning and arts development programmes, to enable participants to learn new skills whilst exploring a range of themes and issues. The aim of the Theatre programme is to provide the highest quality drama; dance; music; theatre for children and young people; film and comedy nights for the enjoyment and enrichment of the communities that the theatre serves. At the Balance Sheet date two of the seven trustees of the Theatre were Council appointments.

East Lothian Integration Joint Board

The East Lothian Integration Joint Board (IJB) was formed under the terms of The Public Bodies (Joint Working) (Scotland) Act 2014. This is a Joint Venture between East Lothian Council and NHS Lothian. The Council has 50% control of the partnership entity.

The Council, along with NHS Lothian provides funding to the IJB. The IJB develops a strategy and commissioning plan for health and care services for East Lothian citizens, and pays the Council and NHS Lothian to deliver services in accordance with the commissioning strategy.

The IJB is governed by The Local Government (Scotland) Act 1973 along with the 2014 regulations and is required to prepare financial statements in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom.

During 2020/21 East Lothian Council contributed £48.952 million (2019/20: £47.459m) to the annual running costs. Expenditure was incurred, and income earned, by both partners during the financial year in providing services in accordance with the commissioning directions from the IJB. As at the Balance Sheet date the Council currently has a creditor balance with the IJB totalling £0.433 million (2019/20: debtor balance of £0.175 million).

Lothian Valuation Joint Board

The Lothian Valuation Joint Board (LVJB) was established under the Valuation Joint Boards (Scotland) Order 1995 and provides Valuation Appeals, Lands Valuation, Electoral Registration and Council Tax Valuation Services. The Board comprises 16 members appointed from the constituency authorities, of which two are from East Lothian Council.

The Council has less than 20% of the voting or potential voting power in the Lothian Valuation Joint Board but has assessed that it has significant influence of this organisation, requiring inclusion in the Council's Group Accounts. This is on the basis of representation on the Joint Board by East Lothian councillors and material transactions between East Lothian Council and the Joint Board.

The summarised financial information of the various associates and joint ventures for the financial year 2020/21 has been presented below:

Associates	Assets at the End of the Year £000s	Liabilities at the End of the Year £000s	Net Assets at the End of the Year £000s	Revenues During the Year £000s	(Surplus) or Deficit for the Year £000s
East Lothian Investments	707	(206)	501	(17)	5
Enjoy East Lothian Ltd	8,301	(7,548)	753	(5,100)	1,035
Brunton Theatre Trust	826	(169)	657	(854)	(45)
East Lothian IJB	9,783	(175)	9,608	(192,649)	(7,210)
Lothian Valuation Joint Board	2,325	(9,467)	(7,142)	(6,939)	645
Total	21,942	(17,565)	4,377	(205,559)	(5,570)

Note G3 Subsidiaries

Subsidiary entities are those in which the Council has a controlling share.

The following entities are regarded as group subsidiary companies, in line with the Code of Practice on Local Authority Accounting. For the purposes of the Group Accounts this means that the income, expenditure and annual surpluses or deficits of subsidiaries are combined within income, expenditure and annual surpluses or deficits relating to main council services. These subsidiary companies have been incorporated in line with the draft financial statements made available to East Lothian Council.

No subsidiaries have been excluded.

East Lothian Land Ltd

The Council is sole shareholder, at a cost of £800,000, in East Lothian Land Limited, set up in 2000 for the purpose of managing land to support economic development in East Lothian.

The accounts for the last period of trading to 31 March 2021 show net current assets of £576,629 (31 March 2020: £584,115), and a loss before taxation of £7,486 (31 March 2019: Loss of £10,898). The company retains all accumulated profits and losses. No dividend was received. The value of East Lothian Land is included within the Council accounts at the net asset value noted above.

Trust Funds and Common Goods

The Council acts as a majority or sole Trustee for 47 trusts, bequests and other funds as well as four separate Common Good Funds. The net value of the Trusts included within the Group Accounts is £6.13 million

(2019/20: £5.40m). The nature of the assets is explained in a note to the Supplementary Financial Statements. Although included as a subsidiary, the Council does not expect a dividend as a result of its involvement. The total value of the Common Good funds within the Group Accounts is £13.62 million (2019/20: £12.30m).

East Lothian Mid-Market Homes LLP

The Limited Liability Partnership was established to manage new build properties in Dunbar, to be available for mid-market rent. East Lothian Council has 83% control of the partnership, with the Scottish Futures Trust also maintaining an interest. The partnership leases housing from a third party and also purchases housing directly. It subsequently leases the dwellings to individuals at a mid-market rent, not as social housing provision. The partnership accounts to 31 March 2021 show net assets of £431,406 (2019/20 £54,000), and comprehensive net income of £377,404 (2019/20: £54,000).

Musselburgh Racing Associated Committee

In 2018 Musselburgh Joint Racing Committee was reconstituted as the Musselburgh Racing Associated Committee (MRAC), comprising four councillors (with cross party representation) and two members representing the racecourse interests. The remit of the committee was to organise and develop horse racing at Musselburgh Links.

On 23 June 2020 MRAC was wound up. The responsibility for the operation of the racecourse was assumed by a separate independent company, Musselburgh Racecourse Limited (MRL). As at 23 June 2020 the Council assumed responsibility for MRAC's residual balances, including debtors and creditors, following the transfer of operational activities. The Council retains ownership of and responsibility for the

racecourse itself. The Council has no ownership or control influence in MRL.

The individual accounts relating to East Lothian Land and the Musselburgh Racing Associated Committee are available from the Head

of Council Resources, East Lothian Council, John Muir House, Haddington, EH41 3HA.

The annual accounts for the Common Good Funds and Trust Funds are included in the 'Other Accounts' section of these annual accounts.

Note G4 Financial Impact of Consolidation

The effect of inclusion of the associate and subsidiary companies on the Group Balance Sheet is to increase Net Assets and Reserves by £24.747 million (2019/20: £18.247m). This is largely due to the value of Common Good and Trust Funds property and investment values.

Note G5 Non Material Interest

East Lothian Council has two members on the committee of Scotland Excel. **Scotland Excel** is a joint committee established to replace the Authorities Buying Consortium and other similar bodies across Scotland. It is the largest non-profit purchasing agency in Scotland and serves the buying needs of 32 local authorities and similar public sector bodies in Scotland.

East Lothian Council is also a participating authority in **SEEMIS Group LLP**. The principal activity of the group is the provision of information

technology solutions to Education services and is funded by the 32 participating authorities.

The Council's extent of control and influence in relation to these entities is deemed to be insufficient to meet the criteria for inclusion in the authority's group accounts.

Other accounts

Housing Revenue Account	125
Movement on the HRA Statement	126
Note to the Movement on the HRA Statement	126
Common Good Account	127
Common Good Movements in Reserves Statement	127
Common Good Comprehensive Income and Expenditure Statement	128
Common Good Balance Sheet	129
Notes to the Common Good Account	130
Trust Accounts	132
Movement in Trust Reserves Statement	132
Trust Comprehensive Income and Expenditure Statement	134
Trust Fund Balance Sheet	135
Market Investment Valuation	136
Council Tax Accounts	137
Council Tax Base	137
Non Domestic Rates	138

Housing Revenue Account

The Housing Revenue Account reflects a statutory obligation to maintain a revenue account for local authority housing provision in line with the Housing (Scotland) Act 1987. The following statement shows how much the Council spent in fulfilling its statutory responsibility to provide, improve and manage its Housing Stock.

The HRA Income and Expenditure statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, the basis upon which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2019/20 £000s	Housing Revenue Account	2020/21 £000s
	Income	
(30,206)	Dwelling Rents	(32,397)
(695)	Non-Dwelling Rents	(669)
(630)	Service Charges	(611)
(107)	Other Income	(2,794)
(31,638)	Total Income	(36,471)
	Expenditure	
8,730	Repairs and Maintenance	6,990
7,693	Supervision and Management	11,425
21,877	Depreciation, Impairment and Revaluation Losses of Non-Current Assets	22,182
-	Impairment of Debtors	125
1,791	Other Expenditure	4,242
40,091	Total Expenditure	44,964
8,453	Net Expenditure of HRA Services as Included in the Whole Authority Comprehensive income and Expenditure Statement	8,493
119	HRA Services Share of Corporate and Democratic Core	425
8,572	Net Expenditure of HRA Services	8,918
	HRA Share of the Operating Income and Expenditure Included in the Comprehensive Income and Expenditure Statement	
(373)	(Gains) on Sale of HRA Non-Current Assets	(7)
6,240	Interest Payable and Similar Charges	6,202
(99)	HRA Interest and Investment Income	(6)
114	Pensions Interest Cost and Expected Return on Pension Assets	94
(7,062)	Capital Grants and Contributions Receivable	(5,865)
7,392	Deficit for the year on HRA Services	9,336

Movement on the HRA Statement

The Movement in Reserves Statement shows the movement from the start of the year to the end on the HRA reserve balance.

2019/20	Movement on the HRA Statement	2019/20
£000s		£000s
(6,068)	Balance on the HRA at the End of the Previous Period	(2,009)
7,392	Deficit for the year on the HRA Income and Expenditure Statement	9,336
(3,062)	Depreciation charged to the Revaluation Reserve	(2,607)
(271)	Adjustments between Accounting Basis and Funding Basis under Legislative Framework	(6,729)
4,059	Net Decrease in the Balance before Transfer to or from Reserves	-
(2,009)	Balance on the HRA at the End of the Current Period	(2,009)

Note to the Movement on the HRA Statement

This note details the adjustments that are made to the HRA deficit, recognised in the year, in accordance with proper accounting practice.

2019/20	Note to the Movement on the HRA Statement	2020/21
£000s		£000s
(18,814)	Depreciation, Revaluation and Impairment of Fixed Assets	(19,575)
7,061	Capital Grant and Contributions Applied	5,865
373	Gain on sale of HRA Non-Current Assets	7
(393)	HRA share of contributions to or from the Pensions Reserve	(306)
3,802	Loans Fund Principal Repayments	4,054
7,700	Capital Expenditure Funded by the HRA	3,226
(271)	Adjustments between Accounting Basis and Funding Basis under Legislative Framework	(6,729)

Number of HRA Houses

The Council is currently going through an expansion programme which is reflected in the increase in housing provision in the year.

Number Of HRA Houses	1 Apt	2 Apt	3 Apt	4 Apt	5 Apt	6 Apt	7-8 Apt	Total
As at 31 March 2020	43	1,806	4,511	2,250	226	3	1	8,840
As at 31 March 2021	43	1,824	4,542	2,282	228	4	2	8,925
Increase/(Decrease) in Year	-	18	31	32	2	1	1	85

Housing Rent Debtors

As at 31 March 2021 housing rent debtors amounted to £2.496m (2019/20: £2.473m). In the interests of prudent financial management the council has made an allowance for non-collection of £2.372m (2019/20: £2.401m).

Common Good Account

There are four separate Common Good Funds that were inherited from the former Burghs of Dunbar, Haddington, Musselburgh and North Berwick which are used to further the common good of the residents of

these areas. Although the Common Good Funds are part of the Council and follow council accounting policies, the finances of the Common Good must be kept separate from council funds.

Common Good Movement in Reserves Statement

Usable Reserves 2019/20 £000s	Unusable Reserves 2019/20 £000s	Total Fund Reserves 2019/20 £000s	Movement in the Common Good Reserves	Usable Reserves 2020/21 £000s	Unusable Reserves 2020/21 £000s	Total Fund Reserves 2020/21 £000s
(7,624)	(5,051)	(12,675)	Opening Balance	(9,683)	(2,616)	(12,299)
-	-	-	Opening Balance Adjustment	-	-	-
(7,624)	(5,051)	(12,675)	Adjusted Balance at 1 April brought forward	(9,683)	(2,616)	(12,299)
			Movement in reserves during the period			
986	-	986	(Surplus) or deficit on provision of services	(864)	-	(864)
-	(610)	(610)	Other Comprehensive Expenditure and Income	-	(454)	(454)
986	(610)	376	Total Comprehensive Expenditure and Income	(864)	(454)	(1,318)
			Adjustments between usable and unusable reserves			
(52)	52	-	Depreciation charged to the Revaluation Reserve	(70)	70	-
(2,993)	2,993	-	Transfer of the Capital Adjustment Account to Usable Reserves	-	-	-
(3,045)	3,045	-	Total adjustments between usable and unusable reserves	(70)	70	-
(2,059)	2,435	376	Increase/Decrease in Year	(934)	(384)	(1,318)
(9,683)	(2,616)	(12,299)	Balance at 31 March 2021 carried forward	(10,617)	(3,000)	(13,617)

This statement shows the movement in the year on the different reserves held by the Common Good funds, analysed between usable

reserves i.e. those that can be applied to fund expenditure, and other reserves.

Common Good Comprehensive Income and Expenditure Statement

The Common Good benefitted for the financial year from a significant increase in the value of investments. This is largely attributable to the recovery of the financial markets after the initial impact of COVID-19 on the financial markets in 2019/20. Losses however were incurred on the sale of some investments in 2020/21.

2019/20 £000s	Common Good Comprehensive Income and Expenditure Statement	2020/21 £000s
	Income	
(422)	Rents and Other Income	(448)
(422)	Total Income	(448)
	Expenditure	
94	Premises-related Expenditure	53
774	Derecognition of lease residual assets	-
70	Supplies and Services	32
69	Third Party Grants and Payments	118
(53)	Revaluation losses (gains) for non-current assets required to be recognised in usable reserves	1
156	Depreciation	153
1,110	Total Expenditure	357
688	Cost Of Services	(91)
(44)	(Gains)/Loss on the sale of investments	90
(128)	Interest receivable and similar income	(85)
470	Changes in the fair value of investments	(778)
986	(Surplus) or Deficit on Provision of Services	(864)
(610)	Gains on Revaluation of Property, Plant & Equipment	(454)
(610)	Other Comprehensive (Income) and Expenditure	(454)
376	Total Comprehensive (Income) and Expenditure	(1,318)

Common Good Balance Sheet

The Common Good Balance Sheet shows the consolidated position of all four Common Good Funds. Included within this is a debtor of £3,994,000 (2019/20: £3,641,000) that is East Lothian Council. This is due to the Common Good Funds not having banking facilities of their own, instead the Council releases the monies as required.

In August 2020 a judicial review, involving Common Good assets under the care of Angus Council, concluded that assets built on Common Good land, and which are not held under a separate title, should be regarded as part of the Common Good land title. This implies that some buildings currently regarded as under the ownership of East Lothian Council, and potentially third parties, may require to be treated as Common Good assets.

The impact of this conclusion on East Lothian Common Good Funds cannot currently be quantified and is subject to further investigation by the Council. The 2020/21 accounts have not been amended in relation to this matter. A contingent liability has been disclosed in East Lothian Council's single entity accounts for the potential transfer of assets.

Sarah Fortune (CPFA)
Head of Finance (CFO)
June 2021

2019/20 £000s	Common Good Balance Sheet	2020/21 £000s
4,869	Property Plant & Equipment	5,169
2,937	Long Term Investments	3,673
732	Long Term Debtors	726
8,538	Long Term Assets	9,568
131	Sundry Debtors	102
3,641	Operating balance debtor (East Lothian Council)	3,994
3,772	Current Assets	4,096
(11)	Short Term Creditors	(47)
(11)	Current Liabilities	(47)
12,299	Net Assets	13,617
(2,616)	Property Revaluation Reserve	(3,000)
(9,683)	Usable Reserves	(10,617)
(12,299)	Total Reserves	(13,617)

Notes to the Common Good Account

Non-Current Assets

The value of the Common Good owned assets changed in the following way:

2019/20 £000s	Common Good Non-Current Assets	2020/21 £000s
5,118	Opening Net Book Value	4,869
18	Additions	-
(774)	Derecognition of Lease Residual Assets	-
663	Revaluations	453
(156)	Depreciation	(153)
4,869	Closing Net Book Value	5,169

Finance Lease

Details of Common Good Finance Leases:

The Proceeds from the finance lease are collected over the term of the lease, which creates a long-term debtor. The income receivable on this debt is:

2019/20 £000s	Common Good Finance Leases	2020/21 £000s
245	Income Receivable in the next year	245
980	Income Receivable in years 2 to 5	980
4,439	Income Receivable after 5 years	4,194
5,664	Total Receivable	5,419

Fund Analysis

The four separate funds are valued at 31 March 2021 as:

Common Good Fund Analysis	Dunbar £000s	Haddington £000s	Musselburgh £000s	North Berwick £000s	Total £000s
Balance Brought forward at 1 April 2020	(898)	(531)	(7,331)	(923)	(9,683)
(Surplus) Deficit in the Year	21	(35)	(788)	(62)	(864)
Depreciation charged to the Revaluation Reserve	(3)	-	(57)	(10)	(70)
Fund Balance at 31 March 2021	(880)	(566)	(8,176)	(995)	(10,617)
Property Revaluation Reserve	(98)	-	(2,506)	(396)	(3,000)
Total Reserves	(978)	(566)	(10,682)	(1,391)	(13,617)

Fund balances at 31 March 2021 include accumulated fair value gains on financial instrument investments of £1,248,000 (2019/20: £476,000). These gains are unrealised and should be regarded as deferred gains. It would not be considered prudent for these gains to be used until they are realised.

Trust Funds Account

The Council acts as a majority or sole Trustee for a number of trusts, bequests and other funds, which are administered in accordance with the individual terms.

Trust Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the Trust funds, analysed between usable reserves i.e. those that can be applied to fund expenditure, and other reserves. Fund balances at 31 March 2021 include accumulated fair value gains on financial instruments. These gains are unrealised and should be regarded as deferred gains. It would not be considered prudent for these gains to be used until they are realised.

Usable Reserves	Unusable Reserves	Total Fund Reserves	Movement in the Trust Reserves	Usable Reserves	Unusable Reserves	Total Fund Reserves
2019/20	2019/20	2019/20		2020/21	2020/21	2020/21
£000s	£000s	£000s		£000s	£000s	£000s
(4,975)	(632)	(5,607)	Opening Balance at 1 April brought forward	(4,705)	(698)	(5,403)
			Movement in reserves during the period			
277	-	277	(Surplus) on provision of services	(723)	-	(723)
-	(73)	(73)	Other Comprehensive Expenditure and Income	-	-	-
277	(73)	204	Total Comprehensive Expenditure and Income	(723)	-	(723)
			Adjustments between usable and unusable reserves			
(16)	16	-	Depreciation charged to the Revaluation Reserve	(17)	17	-
9	(9)	-	Transfer of the Capital Adjustment Account to Usable Reserves	-	-	-
(7)	7	-	Total adjustments between usable and unusable reserves	(17)	17	-
270	(66)	204	Increase/Decrease in Year	(740)	17	(723)
(4,705)	(698)	(5,403)	Balance at 31 March carried forward	(5,445)	(681)	(6,126)

Trust Comprehensive Income and Expenditure Statement

During the year 2020/21, the Trust Funds made a gain in net assets of £723,000 (2019/20: decrease of £204,000).

The Trust Funds benefitted for the financial year from a significant increase in the value of investments. This is largely attributable to the recovery of the financial markets after the initial impact of COVID-19 on the financial markets in 2019/20. Losses however were incurred on the sale of some investments in 2020/21.

2019/20 £000s	Trusts Comprehensive Income and Expenditure Statement	2020/21 £000s
	Income	
(41)	Rents and Other Income	(28)
(41)	Total Income	(28)
	Expenditure	
3	Premises-related expenditure	2
24	Supplies and Services	22
11	Third Party Grants and Payments	13
19	Depreciation	21
57	Total Expenditure	58
16	Cost Of Services	31
(50)	(Gains)/Losses on the sale of investments	85
(116)	Interest receivable and similar income	(84)
427	Changes in the fair value of investments	(754)
277	(Surplus) or Deficit on Provision of Services	(723)
(73)	(Surplus) on Revaluation of Property, Plant & Equipment	-
(73)	Other Comprehensive Income and Expenditure	-
204	Total Comprehensive Income and Expenditure	(723)

Trust Fund Balance Sheet

Trust Fund net assets increased in the year to £6.126 million (2019/20: £5.403m) largely due to the gain in value of investments.

Sarah Fortune (CPFA)
Head of Finance (CFO)
June 2021

2019/20 £000s	Trusts Balance Sheet	2020/21 £000s
774	Property Plant & Equipment	753
2,994	Long Term Investments	3,644
77	Long Term Debtors	72
3,845	Long Term Assets	4,469
-	Short Term Debtors	2
1,726	Operating balance debtor (East Lothian Council)	1,808
1,726	Current Assets	1,810
(1)	Short Term Creditors	-
(1)	Current Liabilities	-
(167)	Other Long Term Liabilities	(153)
(167)	Long Term Liabilities	(153)
5,403	Net Assets	6,126
(698)	Property Revaluation Reserve	(681)
-	Capital Adjustment Account	-
(4,705)	Usable Reserves	(5,445)
(5,403)	Total Reserves	(6,126)

Property Asset Valuation

For most Trust property assets, an independent valuer assesses the value of land and buildings every five years based on the open market value for existing use.

Market Investment Valuation

Investments are valued each year by the Trusts' investment managers, based on the listed market value of each investment on 31 March. The largest investments held by the Trusts on 31 March 2021 are shown in the Trust Investments table.

2019/20 £000s	Trust Investments	2020/21 £000s
177	Vanguard Inv Serv 500 Ucits	241
122	UBS Assets Mgt US Equity	190
93	Findlay Park Fds American USD	119
88	Mercantile Investment Ord 0.25	128
73	Ishares Trust Core S&P 500 Etf	101
67	Blackrock Ord 0.25	107
2,374	Other stocks, shares and cash	2,758
2,994	Total Investments	3,644

Council Tax Income Account

The Council Tax Income Account (Scotland) shows the gross income raised from the Council Taxes levied and deductions made under the Local Government Finance Act 1992. The resultant net income is transferred to the CIES of the authority.

The tax level depends on the value of the property. Certain prescribed dwellings are exempt and discounts are given to eligible taxpayers (e.g. single occupants). A Council Tax Reduction Scheme is available to assist taxpayers on a low income.

2019/20 £000s	Council Tax Income Account	2020/21 £000s
(66,838)	Gross Council Tax Levied and Contributions in Lieu	(71,588)
	Adjusted For:	
5,107	Council Tax Reduction Scheme	5,672
5,247	Other Discounts and Reductions	5,623
1,135	Provision for Non-Collection	1,604
(55,349)	Council Tax Income in Year	(58,689)
111	Adjustments to Previous Years' Council Tax	104
(55,238)	Transfer to General Fund	(58,585)

Council Tax Base

The Council Tax base is calculated as follows:

Council Tax Base	A	B	C	D	E	F	G	H	Total
Charge for Each Band (£)	868.41	1,013.15	1,157.88	1,302.62	1,711.50	2,116.76	2,550.96	3,191.42	
Effective Properties	932	7,774	13,380	5,834	5,794	4,901	4,370	632	43,617
Ratio to Band D	240/360	280/360	320/360	360/360	473/360	585/360	705/360	882/360	
Band D Equivalents	621	6,046	11,893	5,834	7,613	7,964	8,558	1,548	50,077
Provision for non-payment (2%)									(1,002)
Council Tax Base									49,075

Dwellings are valued by the Assessor and placed in a valuation band ranging from the lowest "A" to the highest "H". The Council Tax charge is calculated using the Council Tax Base i.e. band D equivalents. The value is then decreased or increased dependent upon the band of the dwelling.

A full Council Tax charge assumes there are two or more adults, aged 18 or over, living in a property as their main home. If only one adult lives in a house and it is their sole or main residence, the charge may be reduced by 25%.

Charges for water and sewerage are the responsibility of Scottish Water. East Lothian Council collects total monies and makes a payment to Scottish Water. These payments are calculated on a pre-determined formula.

Non Domestic Rate (NDR) Income Account

The Non-Domestic Rate Account (Scotland) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Non-Domestic Rate Account. The statement shows the gross income from the rates and deductions made under statute. The net income is paid to the Scottish Government as a contribution to the national non-domestic rate pool.

2019/20 £000s	Non Domestic Rate Income Account	2020/21 £000s
(40,589)	Gross Rates Levied and Contributions in Lieu	(41,171)
13,336	Relief and Other Deductions	22,230
10	Write offs and Impairment Allowance	-
(27,243)	Net Non-Domestic Rate Income	(18,941)
1,255	Adjustments to Previous Years' National Non-Domestic Rates	1,507
(25,988)	Total Non-Domestic Rate Income (Before Authority Retentions)	(17,434)
724	Non-Domestic Rate Income retained by the Council (BRIS)	-
(25,264)	Contribution to the National Non-Domestic Rate Pool	(17,434)
(26,274)	Non Domestic Rate income credited to the General Fund	(18,274)

Business Rate Incentivisation Scheme (BRIS)

The Business Rate Incentivisation Scheme (BRIS) permits the authority to retain half of the NDR income which exceeds the income target set by the Scottish Government. In 2020/21, the authority did not retain any Non Domestic Rate income under BRIS. In 2019/20 the authority retained an amount of £723,912 representing a 50 per cent share of additional rates income generated in 2018/19.

Rateable Values

An analysis of the rateable values at 01 April 2020 is detailed in the Rateable Values table.

Rateable Values	Number	Rateable Value £000s
Shops, Offices and other Commercial Subjects	1,660	27,930
Industrial and Freight Transport	952	11,882
Miscellaneous (Schools etc.)	1,057	41,030
Total	3,669	80,842

Rate Level

Occupiers of non-domestic property pay rates based on the valuation of the property within the valuation roll for East Lothian. The non-domestic rate poundage is determined by the First Minister, and was:

- 49.8p (2019/20: 49.0p) per pound for properties with a rateable value of up to £51,000 (2019/20: £51,000),
- 51.1p (2019/20: 51.6p) per pound for properties with a rateable value of over £51,000 and up to £95,000 (2019/20: greater than £51,000),
- 52.4p (2019/20: 51.6p) per pound for properties with a rateable value of over £95,000.

From 1 April 2020 levels of rates relief under the Small Business Bonus Scheme were set at:

- 100% (2019/20:100%) for eligible properties with a combined Rateable Value (RV) of up to £15,000 (2019/20: £15,000),
- 25% (2019/20: 25%) for eligible properties with a combined RV between of over £15,000 and up to £18,000 (19/20 £15,000 and £18,000).

For businesses with multiple properties, whose cumulative RV is £35,000 (2019/20: £35,000) or less, the relief is 25% for each property with a rateable value of £18,000 (2019/20: £18,000) or less.

Glossary of terms

6

Glossary of Terms

While much of the terminology used in this document is intended to be self-explanatory, the following additional definitions and interpretation of terms may be of assistance to the reader.

1. **Accounting Period** - The period of time covered by the Accounts - this is a period of 12 months commencing on the 1st of April.
2. **Accruals** – The accruals concept requires that the cost or benefit of a transaction is shown in the period to which the goods or services are received or provided, rather than when the cash is paid or received.
3. **Actuarial Gains and Losses (Pensions)** - Changes in actuarial deficits or surpluses that arise because events have not coincided with previous actuarial assumptions or actuarial assumptions have changed.
4. **Asset** - An asset is categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year. A non-current asset will provide benefit to the Council and to the services it provides for a period of more than one year.
5. **Associate** - An entity, which is not a subsidiary or joint-venture, in which the Council has a participating interest, or over whose operating and financial policies the Council is able to exercise significant influence.
6. **Capital Adjustment Account** - This reserve account relates to amounts set aside from capital resources to meet past expenditure.
7. **Capital Expenditure** - Expenditure on the acquisition of a non-current asset which will be used in providing services beyond the current accounting period, or expenditure which adds to the value of an existing non-current asset.
8. **Capital Financing** - The various methods used to finance capital expenditure. This includes borrowing, leasing, capital receipts, capital grants and use of revenue funding.
9. **Capital Grants Unapplied** - This account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure.
10. **Capital Receipt** - Proceeds from the sale of land, buildings or other non-current assets.
11. **Capital Receipts Reserve** - This reserve represents the proceeds from non-current asset disposals not yet used and which are available to meet future capital investment.

12. **The Code of Practice on Local Authority Accounting** – The Code specifies the principles and practices of accounting required to prepare a Statement of Accounts which gives a true and fair view of the financial position and transactions of a local authority. It is based on International Financial Reporting Standards (IFRS), and has been developed by CIPFA/LASAAC under the oversight of the Financial Reporting Advisory Board.
13. **Creditor** - Amounts owed by the Council for work done, goods received or services rendered within the accounting period, but for which payment has not been made by the end of that accounting period.
14. **Current Service Costs (Pensions)** - The increase in the present value of a defined benefit scheme's liabilities, expected to arise from employee service in the current period.
15. **Debtor** - Amount owed to the Council for works done, goods received or services rendered within the accounting period, but for which payment has not been received by the end of that accounting period.
16. **Defined Benefit Pension Scheme** - Pension schemes in which the benefits received by the participants are independent of the contributions paid and are not directly related to the investments of the scheme.
17. **Depreciation** – A charge measuring the cost of wearing out, consumption or other reduction in the useful economic life of the Council's non-current assets during the accounting period, whether from use, the passage of time or obsolescence through technical or other changes.
18. **Discretionary Benefits (Pensions)** - Retirement awards, which the employer has no legal, contractual or constructive obligation to award and are awarded under the Council's discretionary powers.
19. **Employee Statutory Adjustment Account** - This account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in year. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.
20. **Fair Value** - The fair value of an asset is the price at which it could be exchanged in an arm's length transaction, less any grants receivable towards the purchase or use of the asset.
21. **Finance Lease** - A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.
22. **Government Grants** - Grants made by the Government towards either revenue or capital expenditure in return for past or future compliance with certain conditions relating to the activities of the Council. These grants may be for a specific scheme or may support the revenue or capital spend of the Council in general.
23. **Heritage Asset** - An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained

principally for its contribution to knowledge and culture.

24. **Impairment** - A reduction in the value of a non-current asset to below its carrying amount on the Balance Sheet.
25. **Insurance Fund** - This covers the main classes of insurance and is earmarked for insurance purposes.
26. **Interest Cost (Pensions)** - For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.
27. **Inventories** - Items of raw materials and stock the Council has procured and holds in expectation of future use. Examples are consumable stores, raw materials and products and services in intermediate stages of completion.
28. **Liability** - A liability is where the Council owes payment to an individual or another organisation. A current liability is an amount which will become payable or could be called in within the next accounting period e.g. creditors or cash overdrawn. A long-term liability is an amount which, by arrangement, is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.
29. **National Non-Domestic Rates Pool** - All rates paid by businesses based on the rateable value of the premises they occupy collected by local authorities are remitted to the national pool and thereafter distributed to councils by the Scottish Government.
30. **Net Book Value (NBV)** - The amount at which non-current assets are included in the Balance Sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.
31. **Non-Current Assets** - These are created by capital expenditure incurred by the Council. They include property, vehicles, plant, machinery, roads, computer equipment, etc.
32. **Operating Lease** - A lease where the ownership of a non-current asset remains with the lessor.
33. **Past Service Cost (Pensions)** - For a defined benefit scheme, the increase in the present value of the scheme liabilities relating to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to retirement benefits.
34. **Pension Reserve** - The Pension Reserve arises from the IAS19 accounting disclosures for retirement benefits and recognises the Council's share of actuarial gains and losses in the Lothian Pension Fund and the change in the Council's share of the Pension Fund net liability chargeable to the CIES.
35. **Pension Scheme Liabilities** - The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. The scheme liabilities, measured using the "projected unit method", reflect the benefits that the employer is committed to provide for service up to the valuation date.
36. **Post-Employment Benefits** - All forms of consideration given by an employer in exchange for services rendered by employees that are payable after

the completion of employment (e.g. pensions in retirement).

37. **Provision** - An amount put aside in the accounts for future liabilities or losses which are certain, or very likely to occur, but the amounts or dates of when they will arise are uncertain.
38. **Public Works Loan Board (PWLB)** - A Central Government Agency, which provides loans for one year and above to councils at interest rates only based on those at which the Government can borrow itself.
39. **Rateable Value** - The annual assumed rental of a non-housing property, which is used for national Non-Domestic Rates purposes.
40. **Related Parties** - Entities or individuals that have the potential to control or influence the Council, or to be controlled or influenced by the Council.
41. **Remuneration** - All sums paid to or receivable by an employee and sums due by way of expenses, allowances (as far as these sums are chargeable to UK income tax) and the monetary value of any other benefits received other than cash.
42. **Reserves** - The accumulation of surpluses, deficits and appropriation over the past years. Reserves of a revenue nature are available and can be spent or earmarked at the discretion of the Council. Some capital reserves, such as the Revaluation Reserve, cannot be used to meet current expenditure.
43. **Revaluation Reserve** - The Revaluation Reserve represents the store of gains on revaluation of fixed assets not yet realised through sale.
44. **Revenue Expenditure** - The day-to-day running costs associated with the provision of services within one financial year.
45. **Subsidiary** - An entity over which the Council has overall control through the power to govern its financial and operating policies so as to obtain benefits from the entity's activities.



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East Lothian Council
Business Finance
John Muir House
Haddington EH41 3HA

www.eastlothian.gov.uk

DR BRUCE FUND

FINANCIAL STATEMENTS

31 MARCH 2021

Charity Number SC019149

DR BRUCE FUND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

CONTENTS	PAGE
Members of the Board and professional advisers	1
Trustees' Annual Report	2-4
Statement of Trustees' Responsibilities In Respect of the Trustees' Annual Report and Financial Statements	5
Independent Auditor's Report to the Trustees	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9-13

DR BRUCE FUND

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Registered Charity Name	Dr Bruce Fund
Charity Number	SC019149
Trustees	Councillor Stuart Currie Councillor Andrew Forrest Councillor Katie Mackie Councillor John Williamson
Address of Principal Office	John Muir House Haddington East Lothian EH41 3HA
Auditor	E Scoburgh CPFA Senior Audit Manager Audit Scotland 102 West Port Edinburgh EH3 9DH
Investment Advisers	Investec Wealth & Investment Limited 2 Gresham Street London EC2V 7QN

DR BRUCE FUND
TRUSTEES' ANNUAL REPORT
YEAR ENDED 31 MARCH 2021

The trustees present their report and the financial statements of the charity for the year ended 31 March 2021.

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements.

OBJECTIVES AND ACTIVITIES

The objective of the trust is to provide for the relief of the poor of Musselburgh.

The Trust furthers its charitable purposes through its grant-making policy, which aims to alleviate the suffering of those in poverty in the Musselburgh area, particularly during Christmas.

GRANT MAKING POLICY

The Trust seeks to alleviate poverty in the Musselburgh area by providing grants during more financially pressing times of the year, especially around Christmas time. The Trust maintains a list of recipients who have been nominated by the Trustees to receive an award.

Each year, the Trustees meet and consider the provision of small grants to nominated residents of the town.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE

During the year 2020/21 the trust made two awards totalling £70 (2019/20: £60).

FINANCIAL REVIEW

The investment portfolio from which the trust is allocated a proportion of assets, income, and expenditure was adversely affected by the economic effects of the Covid-19 pandemic. The market value of the whole portfolio increased by £0.65m in the year to 31st March

2021, and the income earned by the portfolio decreased by 27.8% in the same period. However, overall, the portfolio performed slightly better than the market benchmark.

Full details of the trust's financial transactions during the year ended 31st March 2021 are shown on the attached financial statements.

The trust incurred operational expenditure of £1,154, against income of £1,328. Together with gains on investment assets of £2,506, this resulted in an increase in reserves of £2,680. At 31 March 2021, the trust had unrestricted funds of £19,943.

Dr Bruce Fund does not have a formal reserves policy. However, the trustees' objectives are to maintain the value of its reserves, and to attempt not to incur costs greater than the value of its annual income.

PLANS FOR FUTURE PERIODS

The trustees intend to continue to make annual awards as funds allow. There is an ongoing review of all the small trusts administered by East Lothian Council, and in the future there may be proposals to amalgamate smaller trusts which can then be promoted more widely.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Dr Bruce Fund was established under the provision in the will of Charles Key Bruce, dated 19th December 1826. A bequest was set up to provide relief for the poor of Musselburgh. The executors of Dr Bruce's will declined to act and his estate was placed in the management of the High Court of Chancery. In 1832, an arrangement was made where two magistrates of Musselburgh, the minister of the parish of Inveresk, and the sheriff of the county of Edinburgh were appointed as a local committee to administer the fund.

Following local government reorganisation in 1973, the trust came under the administration of East Lothian District Council and later, East Lothian Council. Since that time, the elected councillors for Musselburgh have acted in a decision-making capacity for the trust.

Dr Bruce Fund has no employees. The trustees are supported in the discharge of their responsibilities by finance and support staff within East Lothian Council. The trust does not have its own bank account, and all financial transactions are carried out through the bank accounts of East Lothian Council.

There are no related party transactions in the accounts for Dr Bruce Fund.

East Lothian Council maintains a shared portfolio of assets for a number of trusts and bequests which it administers. The portfolio, which is known as "East Lothian Council Charitable Funds" is managed by an external investment management company (currently Investec Wealth and Investment). Each financial year, all of the trusts are allocated a

proportion of the assets, income, and expenditure of the total portfolio in accordance with their investment.

The trust's major risks have been identified as the ability to meet financial demands on its funds and the potential loss of the value of its investment assets. Both of these risks are managed by taking financial advice from East Lothian Council staff and investment advice from its investment management advisers.

THE TRUSTEES

The trustees who served the charity during the period were the elected councillors for Musselburgh. These were:

Stuart Currie
Andrew Forrest
Katie Mackie
John Williamson

Signed on behalf of the trustees

Councillor Stuart Currie
Chair of Trust
John Muir House
Haddington
East Lothian

__ ____ 2021

DR BRUCE FUND

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charity Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the Trust deed. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the trustees on __ ____ 2021 and signed on their behalf by:

Councillor S Currie
Chair of Trust

Independent auditor's report to the trustees of the Dr Bruce Fund and the Accounts Commission

Report on the audit of the financial statements

Note: The Independent auditor's report will be included following the conclusion of the external audit process and the signing of the accounts, expected to be completed in October 2021.

DR BRUCE FUND

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Total Funds 2020/21 £	Total Funds 2019/20 £
Income From			
Donated services	2	1,000	1,000
Income from Investments	3	328	454
Total Income and Endowments		1,328	1,454
Expenditure On			
Management Fees	4	(84)	(88)
Charitable Activities	5	(70)	(60)
Audit Fees	2	(1,000)	(1,000)
Total Expenditure		(1,154)	(1,148)
Net Income		174	306
Net (Losses)/Gains on investments		2,506	(1,403)
Net Movement In Funds		2,680	(1,097)
 Reconciliation Of Funds			
Total funds brought forward		17,263	18,360
Total Funds carried forward		19,943	17,263

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

DR BRUCE FUND

BALANCE SHEET

AS AT 31 MARCH 2021

	Note	2020/21 £	2019/20 £
FIXED ASSETS			
Investments	7	13,164	10,774
CURRENT ASSETS			
Debtors	8	6,884	6,489
CURRENT LIABILITIES			
Creditors		(105)	0
TOTAL NET ASSETS		<u>19,943</u>	<u>17,263</u>
THE FUNDS OF THE CHARITY			
Investments Revaluation Reserve		(6,112)	(5,963)
Unrestricted funds	9	(13,831)	(11,300)
TOTAL CHARITY FUNDS		<u>(19,943)</u>	<u>(17,263)</u>

These financial statements were approved by the members of the committee and authorised for issue on __ __ 2021 and are signed on their behalf by:

Councillor Stuart Currie
Chair of Trust
John Muir House
Haddington

Date: __ __ 2021

DR BRUCE FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2021

1 ACCOUNTING POLICIES

Dr Bruce Fund (the “Charity”) is an unincorporated charity and domiciled in the UK.

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities and Trustee Investment (Scotland) Act 2005 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements have been prepared to give a ‘true and fair’ view and have departed from the Charities Accounts (Scotland) Regulations 2006 (as amended) only to the extent required to provide a ‘true and fair’ view. This departure has involved following the Charities SORP (FRS 102) issued on 16 July 2014 rather than the preceding Charities SORP (SORP 2005) which was effective from 1 April 2005 and has since been withdrawn.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

In the transition to FRS 102 from old UK GAAP, the Charity has made no measurement and recognition adjustments.

The Charity’s parent undertaking, East Lothian Council, includes the Charity in its consolidated financial statements. The consolidated financial statements of East Lothian Council are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from John Muir House, Haddington, East Lothian EH41 3HA. In these financial statements, the charity is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

* Cash Flow Statement and related notes

As the consolidated financial statements of East Lothian Council include the equivalent disclosures, the Charity has also taken the exemptions under FRS 102 available in respect of the following disclosures:

* The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: financial instruments classified at fair value through the statement of financial activities.

1.2 Going Concern

The Trustees consider Dr Bruce Fund to be a going concern as there are appropriate funds to continue meeting its charitable activities

1.3 Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs.

Investments in preference and ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through the statement of financial activities. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in the statement of financial activities. Other investments are measured at cost less impairment in the statement of financial activities.

1.4 Funds Structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created a fund for a specific purpose. All funds of the trust are unrestricted.

1.5 Income Recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

1.6 Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses, including support costs and governance costs, are allocated or apportioned to the applicable expenditure headings in the statement of financial activities. For more information on this allocation refer to note 5 below.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the one year or multi-year grant. Grants awards that are subject to the recipient fulfilling performance conditions are only accrued when the recipient has been notified of the grant and any remaining unfulfilled conditions attaching to that grant are outside of the control of the Charity.

1.7 Governance costs

Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. Governance costs are included within charitable activities.

2 INCOME FROM DONATIONS

For 2020/21, the external annual audit fee was a donated service of £1,000 from East Lothian Council.

DR BRUCE FUND

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st MARCH 2021

3 INVESTMENT INCOME

	Unrestricted Funds 2020/21 £	Unrestricted Funds 2019/20 £
Dividends - equities	310	395
Interest on cash deposits	18	59
	328	454

4 INVESTMENT MANAGEMENT COSTS

	Unrestricted Funds 2020/21 £	Unrestricted Funds 2019/20 £
Investment and ELC management fees	84	88

5 COSTS OF CHARITABLE ACTIVITIES

	Grant Funding activities 2020/21 £	Grant Funding activities 2019/20 £
Grants of £35 made to 2 individuals(19/20 £30 each)	70	60
	70	60

6 STAFF COSTS AND EMOLUMENTS

Key management personnel received no employee benefits for their services to the charity.

7 INVESTMENTS

Movement in market value

	2020/21	2019/20
	£	£
Market value at 1 April 2019	10,774	12,291
Additions/(Disposals) at cost	2,241	72
Net (loss)/gain on revaluation	149	(1,589)
Market value at 31 March 2020	13,164	10,774

	Total Funds 2020/21	Total Funds 2019/20
	£	£
Investments at fair value comprised:		
Quoted shares	13,164	10,774

8 DEBTORS

	2020/21	2019/20
	£	£
Other Debtors	6,884	6,489

9 ANALYSIS OF CHARITABLE FUNDS

	Balance at 1st April 2020	Income	Expenditure	Gains and Losses	Balance at 31st March 2021
	£	£	£	£	£
Revaluation Reserve	5,963	-	-	149	6,112
General Funds	11,300	1,328	(1,154)	2,357	13,831
	17,263	1,328	(1,154)	2,506	19,943

Appendix 2a (1) - Aligned to New Council Approved Structure
 East Lothian Council
 End of Year Financial Review Budget Monitoring 2020/21 General Fund - 31 March 2021

Service	Head of Service	Business Unit	2020/21 Budget £'000	2020/21 Actual £'000	2020/21 (Surplus) / Deficit £'000	2020/21 Budget Variance to Date %
Education & Children's	Children's	Children's	15,947	17,955	2,008	12.6%
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		15,947	17,955	2,008	12.6%
Education & Children's	Education	Additional Support for Learning	9,286	9,978	692	7.5%
Education & Children's	Education	Pre-school Education & Childcare	14,309	14,054	-255	-1.8%
Education & Children's	Education	Schools - Primary	43,358	42,493	-865	-2.0%
Education & Children's	Education	Schools - Secondary	42,700	40,063	-2,637	-6.2%
Education & Children's	Education	Schools - Support Services	3,829	2,821	-1,008	-26.3%
EDUCATION & CHILDREN'S	EDUCATION TOTAL		113,482	109,409	-4,073	-3.6%
EDUCATION & CHILDREN'S TOTAL			129,429	127,364	-2,065	-1.6%
Council Resources	Finance	Financial Services	1,835	1,663	-172	-9.4%
Council Resources	Finance	Revenues & Benefits	2,427	1,886	-541	-22.3%
Council Resources	Finance	Procurement	250	362	112	44.8%
COUNCIL RESOURCES	FINANCE TOTAL		4,512	3,911	-601	-13.3%
Council Resources	Corporate	IT Services	2,304	2,239	-65	-2.8%
Council Resources	Corporate	Legal	326	256	-70	-21.5%
Council Resources	Corporate	People & Governance	4,631	4,413	-218	-4.7%
Council Resources	Corporate	Communications	424	372	-52	-12.3%
COUNCIL RESOURCES	CORPORATE TOTAL		7,685	7,280	-405	-5.3%
COUNCIL RESOURCES TOTAL			12,197	11,191	-1,006	-8.2%
Health & Social Care Partnership	Adult Wellbeing	Adult SW	35,089	36,868	1,779	5.1%
Health & Social Care Partnership	Adult Wellbeing	Acute & Ongoing Care	7,500	7,641	141	1.9%
Health & Social Care Partnership	Adult Wellbeing	Rehabilitation	1,524	1,460	-64	-4.2%
Health & Social Care Partnership	Adult Wellbeing	Adult Statutory Services	2,778	2,860	82	3.0%
Health & Social Care Partnership	Adult Wellbeing	Statutory Services	1,237	869	-368	-29.7%
Health & Social Care Partnership	Adult Wellbeing	Head of Operations	3,109	2,385	-724	-23.3%
Health & Social Care Partnership	Adult Wellbeing	Business & Performance IJB	2,871	2,543	-328	-11.4%
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		54,108	54,626	518	1.0%
Health & Social Care Partnership	Adult Wellbeing	Business & Performance Non-IJB	790	778	-12	-1.5%
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		790	778	-12	-1.5%
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			54,898	55,404	506	0.9%
Place	Development	Planning	1,208	1,186	-22	-1.8%
Place	Development	Economic Development	2,453	997	-1,456	-59.4%
PLACE	DEVELOPMENT TOTAL		3,661	2,183	-1,478	-40.4%
Place	Housing	Housing & Strategic Regeneration	689	490	-199	-28.9%
Place	Housing	Property Maintenance Trading Account	-863	-273	590	-68.4%
Place	Housing	Community Housing	2,441	1,878	-563	-23.1%
PLACE	HOUSING TOTAL		2,267	2,095	-172	-7.6%
Place	Infrastructure	Facility Support Services	3,628	3,320	-308	-8.5%
Place	Infrastructure	Facility Trading Activity	-217	-403	-186	85.7%
Place	Infrastructure	Asset Maintenance & Engineering Services	3,242	2,801	-441	-13.6%
Place	Infrastructure	Asset Management & Capital Planning	-576	-702	-126	21.9%
Place	Infrastructure	Landscape & Countryside Management	5,273	4,734	-539	-10.2%
Place	Infrastructure	Roads Network	5,010	4,838	-172	-3.4%
Place	Infrastructure	Roads Trading Activity	-688	675	1,363	-198.1%
Place	Infrastructure	Transportation	1,439	1,478	39	2.7%
Place	Infrastructure	Waste Services	8,099	8,528	429	5.3%
Place	Infrastructure	Active Business Unit	3,608	3,744	136	3.8%
PLACE	INFRASTRUCTURE TOTAL		28,818	29,013	195	0.7%
Place	Communities & Partnerships	Corporate Policy & Improvement	788	721	-67	-8.5%
Place	Communities & Partnerships	Connected Communities	6,256	5,979	-277	-4.4%
Place	Communities & Partnerships	Protective Services	1,815	1,638	-177	-9.8%
Place	Communities & Partnerships	Customer Services Group	3,626	3,298	-328	-9.0%
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		12,485	11,636	-849	-6.8%
PLACE TOTAL			47,231	44,927	-2,304	-4.9%
SERVICE TOTAL			243,755	238,886	-4,869	-2.0%
CORPORATE MANAGEMENT TOTAL			-243,755	-251,567	-7,812	3.2%
TOTAL			0	-12,681	-12,681	-5.2%
TOTAL HRA			0	0	0	0.0%
General Services Adjusted to reflect Movements In Reserves included in the Ledger Position						
Transfer from Second Home Council Tax				402		
Transfer to Second Home Council Tax				-504		
Transfer from MELDAP				267		
Other				45		
Total				210		
Revised Final Position				-12,471		-5.1%
Increase in Capital Reserves				-1,488		
Total Movement In Reserves				-13,959		
USABLE RESERVES						
Opening Usable Reserves				-21,130		
Movement in Reserves				-13,959		
Closing Usable Reserves				-35,089		

Appendix 2a (2) - Aligned to Previous Council Structure (and DRAFT accounts)

East Lothian Council

End of Year Financial Review Budget Monitoring 2020/21 General Fund - 31 March 2021

Service	Head of Service	Business Unit	2020/21 Budget £'000	2020/21 Actual £'000	2020/21 (Surplus) / Deficit) £'000	2020/21 Budget Variance to Date %
Resources & People	Education	Childrens	15,947	17,955	2,008	12.6%
Resources & People	Education	Additional Support for Learning	9,286	9,978	692	7.5%
Resources & People	Education	Pre-school Education & Childcare	14,309	14,054	-255	-1.8%
Resources & People	Education	Schools - Primary	43,358	42,493	-865	-2.0%
Resources & People	Education	Schools - Secondary	42,700	40,063	-2,637	-6.2%
Resources & People	Education	Schools - Support Services	3,829	2,821	-1,008	-26.3%
RESOURCES & PEOPLE	EDUCATION TOTAL		129,429	127,364	-2,065	-1.6%
Resources & People	Council Resources	Financial Services	1,835	1,663	-172	-9.4%
Resources & People	Council Resources	Revenues & Benefits	2,427	1,886	-541	-22.3%
Resources & People	Council Resources	IT Services	2,304	2,239	-65	-2.8%
Resources & People	Council Resources	Legal	326	256	-70	-21.5%
Resources & People	Council Resources	Procurement	250	362	112	44.8%
Resources & People	Council Resources	People & Governance	4,631	4,413	-218	-4.7%
RESOURCES & PEOPLE	COUNCIL RESOURCES TOTAL		11,773	10,819	-954	-8.1%
RESOURCES & PEOPLE TOTAL			141,202	138,183	-3,019	-2.1%
Health & Social Care Partnership	Adult Wellbeing	Adult SW	35,089	36,868	1,779	5.1%
Health & Social Care Partnership	Adult Wellbeing	Acute & Ongoing Care	7,500	7,641	141	1.9%
Health & Social Care Partnership	Adult Wellbeing	Rehabilitation	1,524	1,460	-64	-4.2%
Health & Social Care Partnership	Adult Wellbeing	Adult Statutory Services	2,778	2,860	82	3.0%
Health & Social Care Partnership	Adult Wellbeing	Statutory Services	1,237	869	-368	-29.7%
Health & Social Care Partnership	Adult Wellbeing	Head of Operations	3,109	2,385	-724	-23.3%
Health & Social Care Partnership	Adult Wellbeing	Business & Performance IJB	2,871	2,543	-328	-11.4%
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		54,108	54,626	518	1.0%

Health & Social Care Partnership	Adult Wellbeing	Business & Performance Non-IJB	790	778	-12	-1.5%
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		790	778	-12	-1.5%
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			54,898	55,404	506	0.9%
Partnerships & Community Services	Development	Planning	1,208	1,186	-22	-1.8%
Partnerships & Community Services	Development	Economic Development	2,453	997	-1,456	-59.4%
Partnerships & Community Services	Development	Housing & Strategic Regeneration	689	490	-199	-28.9%
Partnerships & Community Services	Development	Property Maintenance Trading Account	-863	-273	590	-68.4%
Partnerships & Community Services	Development	Community Housing	2,441	1,878	-563	-23.1%
PARTNERSHIPS & COMMUNITIES SERVICE	DEVELOPMENT TOTAL		5,928	4,278	-1,650	-27.8%
Partnerships & Community Services	Infrastructure	Facility Support Services	3,628	3,320	-308	-8.5%
Partnerships & Community Services	Infrastructure	Facility Trading Activity	-217	-403	-186	85.7%
Partnerships & Community Services	Infrastructure	Asset Maintenance & Engineering Services	3,242	2,801	-441	-13.6%
Partnerships & Community Services	Infrastructure	Asset Management & Capital Planning	-576	-702	-126	21.9%
Partnerships & Community Services	Infrastructure	Landscape & Countryside Management	5,273	4,734	-539	-10.2%
Partnerships & Community Services	Infrastructure	Roads Network	5,010	4,838	-172	-3.4%
Partnerships & Community Services	Infrastructure	Roads Trading Activity	-688	675	1,363	-198.1%
Partnerships & Community Services	Infrastructure	Transportation	1,439	1,478	39	2.7%
Partnerships & Community Services	Infrastructure	Waste Services	8,099	8,528	429	5.3%
Partnerships & Community Services	Infrastructure	Active Business Unit	3,608	3,744	136	3.8%
PARTNERSHIPS & COMMUNITIES SERVICE	INFRASTRUCTURE TOTAL		28,818	29,013	195	0.7%
Partnerships & Community Services	Communities & Partnerships	Corporate Policy & Improvement	1,212	1,093	-119	-9.8%
Partnerships & Community Services	Communities & Partnerships	Connected Communities	6,256	5,979	-277	-4.4%
Partnerships & Community Services	Communities & Partnerships	Protective Services	1,815	1,638	-177	-9.8%
Partnerships & Community Services	Communities & Partnerships	Customer Services Group	3,626	3,298	-328	-9.0%
PARTNERSHIPS & COMMUNITIES SERVICE	COMMUNITIES & PARTNERSHIPS TOTAL		12,909	12,008	-901	-7.0%
PARTNERSHIPS & COMMUNITY SERVICES TOTAL			47,655	45,299	-2,356	-4.9%
SERVICE TOTAL			243,755	238,886	-4,869	-2.0%
CORPORATE MANAGEMENT TOTAL			-243,755	-251,567	-7,812	3.2%
TOTAL			0	-12,681	-12,681	-5.2%
TOTAL HRA			0	0	0	0.0%

General Services Adjusted to reflect Movements In Reserves included in the Ledger Position

Transfer from Second Home Council Tax	402
Transfer to Second Home Council Tax	-504
Transfer from MELDAP	267
Other	45
Total	210

Revised Final Position	-12,471	-5.1%
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Increase in Capital Reserves	-1,488
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Total Movement In Reserves	-13,959
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USABLE RESERVES

Opening Usable Reserves	-21,130
Movement in Reserves	-13,959
Closing Usable Reserves	-35,089

Appendix 2b

East Lothian Council

End of Year Financial Report - Additional Scottish Government Funding for COVID (General Revenue Grant)

Funding	ELC Share £m	Scotland Total £m
GENERAL REVENUE GRANT		
PREVIOUSLY REPORTED		
Associated with COVID 19	2.992	155.000
LA Hardship Fund	0.965	50.000
Scottish Welfare Fund Top Up	0.334	22.000
Food Fund	0.447	30.000
Registrars of Death	0.012	0.600
Council Tax Reduction Scheme	0.380	25.000
Additional UK Consequentials	0.946	49.000
Education Recovery Funding	0.403	20.000
Community Justice CPP Transitional funding Extra	0.012	0.400
Environmental Health Officers	0.019	1.200
Test & Protect Combined	0.048	2.872
Winter Plan - R RTP	0.105	5.000
Children & Young People's Mental Health	0.294	15.000
Business Support Grant Admin	0.180	12.000
Additional Education - Teachers	0.482	25.000
Additional Education - Digital Inclusion	0.196	10.000
Additional Education - Home Learning Support Fund	0.181	10.000
Additional Education - Staffing	0.482	25.000
Additional education - Teachers	0.508	26.667
Winter hardship £100 Payments & Admin	0.169	12.880
January Free School Meal Provision	0.092	7.058
PREVIOUSLY REPORTED TOTAL	9.247	504.677
FUNDING ANNOUNCED SINCE Q3 COUNCIL REPORT		
Local Discretionary Fund	1.539	90.000
Financial Inclusion Fund	0.327	20.000
£100 Spring Payment	0.234	17.200
Balance of Financial Inclusion to be paid as GRG	0.216	20.613
Easter FSM	0.056	4.290
Flexible Fund	0.578	30.000
£70m to support Education Recovery	1.412	70.000
Loss of Income Scheme	1.981	200.000
General COVID Funding	4.367	275.000
Free School Meals - Dec/Jan Holidays	0.098	6.950
Additional FSM up to 26 February 2021	0.076	5.841
PESF Boost	0.105	5.000
£100 payments & Admin Balance	0.033	1.937
Test & Protect extension	0.033	1.995
FUNDING ANNOUNCED SINCE Q3 COUNCIL REPORT TOTAL	11.055	748.826
TOTAL REDETERMINATIONS	20.302	1,253.503
COVID Business Grants Funding		
Business Grants	17.636	
Business Closure Fund	0.375	
Furlough Support Fund	0.107	
Newly Self Employed Help Fund	0.216	
Discretionary Business Hardship Fund	0.057	
Soft Play Closure Grants	0.045	
Strategic Framework Restricted Fund	8.623	
Local Authority Discretionary Fund	0.618	
Contingency Fund Plus	0.090	
Tourism Large Self Catering	0.114	
Small Accommodation Providers	0.102	
Taxi Grant Support Fund	0.210	
TOTAL COVID BUSINESS GRANTS FUNDING	28.193	
Other COVID Grant Funding		
Community Hub	0.637	
Health & Social Care £500 Thank You Payment	0.967	
Children's Winter Money	0.362	
Spaces for People	0.867	
Additional Teaching	0.572	
Additional Teaching Support	0.064	
Additional Teachers to Support COVID resilience	0.380	
Digital Inclusion (Revenue)	0.070	
Social Welfare Fund - Self isolation Grants	0.070	
Social Welfare Fund - Fuel Poverty Grants	0.061	
Discretionary Housing Payments Additional Funding	0.056	

TOTAL OTHER COVID GRANT FUNDING	4.106
Capital Covid Funding	
Capital Town Centre Fund	0.462
Digital Inclusion (Capital)	0.401
Capital School Transport	0.028
TOTAL CAPITAL COVID FUNDING	0.891
Other Flexibilities	
Early Learning & Childcare Funding Flexibility	4.373
Property Maintenance Recharges to HRA flexibility	2.931
Additional Health & Social Care Funding (IJB)	3.272
TOTAL CAPITAL COVID FUNDING	10.576
TOTAL FUNDING	64.068

Appendix 2c
 East Lothian Council
 End of Year Financial Report 2020/21 Budget Efficiencies - 31 March 2021

Service	2020/21			
	Achieved	Amber	High	
	£'000	£'000	£'000	
Education	47	0	0	
Council Resources	9	0	10	
H&SCP	0	0	0	
Communities	774	0	0	
Development	53	0	50	
Infrastructure	201	0	69	
Corporate	0	2,000	0	
Total	1,084	2,000	129	3,213
	33.74%	62.25%	4.01%	

Savings Currently High - Red

Service	Proposal	Value	Comments
IT	Expected revenue from sale of hardware due to refresh	10	Not achieved
Property Maintenance Trading	Efficient workforce management to be met from service redesign, strict management of vacancies, agency costs and increased productivity.	30	Not achieved
Property Maintenance Trading	New opportunities for income maximisation	20	Not achieved
Facilities Trading	School Meal charges	16	Not achieved
Facilities Trading	Grab and Go expansion	8	Not achieved
Landscape &	Amenity Service - income generation target	20	Not achieved
Roads Network	3% uplift on existing income	5	Not achieved
Roads Trading	Explore new opportunities for income management	20	Not achieved
Total		129	

Savings Currently Medium - Amber (Achieved in Year)

Service	Proposal	Value	Comments
All	Efficient workforce management to be met from service redesign, strict management of vacancies, agency costs and	2,000	Achieved in 2020/21, ongoing work to ensure recurring saving can be delivered.
Total		2,000	

Appendix 2d
 East Lothian Council
 End of Year Financial Report - COVID Costs 31 March 2021

Service Area	2020/21 Final Covid Costs
Children's Services	1,364
Education Services	3,343
EDUCATION & CHILDREN'S TOTAL	4,707
Finance Services	131
Corporate Services	389
COUNCIL RESOURCES TOTAL	520
Health & Social Care Partnership	4,690
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL	4,690
Development Services	3,575
Housing Services	137
Infrastructure Services	3,376
Communities & Partnerships Services	1,493
PLACE SERVICES TOTAL	8,581
Council Wide Costs	1,508
COUNCIL WIDE COSTS TOTAL	1,508
Corporate Management Costs	1,304
CORPORATE MANAGEMENT COSTS TOTAL	1,304
TOTAL	21,310

Appendix 2e

East Lothian Council

End of Year Financial Report Budget Monitoring 2020/21 General Capital - 31 March 2021

	2020-21					
	Approved Budget	Updated Budget	Actual	P9 Outturn as reported to Council	Updated Budget - Actual Variance	P9 Outturn - Actual Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Community Projects						
Assets in the Community - Investment	250	250	-	-	(250)	-
Community Intervention	600	600	281	300	(319)	(19)
Dunbar Conservation Area Regeneration Scheme (CARS)	430	430	-	-	(430)	-
Support for Business - Gateside West	2,021	2,021	35	62	(1,986)	(27)
CCTV	62	62	-	-	(62)	-
Town Centre Regeneration	-	1,146	127	280	(1,019)	(153)
Total Community Projects	3,363	4,509	443	642	(4,066)	(199)
ICT						
IT Programme	2,100	2,100	2,756	2,900	656	(144)
Replacement - CRM Project (Customer Services)	-	70	23	70	(47)	(47)
Total ICT	2,100	2,170	2,779	2,970	609	(191)
Fleet						
Amenties - Machinery & Equipment - replacement	237	237	236	236	(1)	-
COVID 19 School Transport Retrofit	-	-	28	-	28	28
Vehicles	1,990	2,621	1,413	1,809	(1,208)	(396)
Total Fleet	2,227	2,858	1,677	2,045	(1,181)	(368)
Open Space						
Cemeteries (Burial Grounds)	300	300	71	85	(229)	(14)
Coastal / Flood Protection schemes - East Beach, Dunbar	-	81	82	81	1	1
Coastal / Flood Protection schemes - Haddington	280	280	-	30	(280)	(30)
Coastal / Flood Protection schemes - Musselburgh	800	800	985	1,172	185	(187)
Coastal Car Park Toilets	443	443	295	443	(148)	(148)
Core Path Plan	50	50	-	50	(50)	(50)

Appendix 2e

East Lothian Council

End of Year Financial Report Budget Monitoring 2020/21 General Capital - 31 March 2021

	2020-21					
	Approved Budget	Updated Budget	Actual	P9 Outturn as reported to Council	Updated Budget - Actual Variance	P9 Outturn - Actual Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Mains Farm Sports Pitch & Pavilion	540	572	502	472	(70)	30
Polson Park	138	138	-	-	(138)	-
Sports and Recreation LDP	279	279	75	82	(204)	(7)
Waste - New Bins	160	160	151	160	(9)	(9)
Waste - Machinery & Equipment - replacement	40	40	32	40	(8)	(8)
Total Open Space	3,030	3,143	2,193	2,615	(950)	(423)
Roads, Lighting and related assets						
Cycling Walking Safer Streets	174	466	206	353	(260)	(147)
Parking Improvements	250	250	30	30	(220)	-
Roads	7,500	7,500	5,426	5,700	(2,074)	(274)
Roads - externally funded projects	2,410	2,410	1,182	1,125	(1,229)	57
Total Roads, Lighting and related assets	10,334	10,626	6,844	7,208	(3,783)	(364)
Property - Education						
Aberlady Primary - extension	946	946	50	71	(896)	(21)
Blindwells Primary - new school	135	135	-	-	(135)	-
Cockenzie Primary - hosting Blindwells Primary	30	30	-	-	(30)	-
Craighall Primary - New School (Phase 1)	107	107	-	-	(107)	-
Dunbar Grammar - extension	-	-	164	164	164	-
Dunbar Primary - John Muir Campus - Early Learning and 1140	-	-	2	5	2	(3)
East Linton Primary - extension including Early Learning and 1140	10	10	-	60	(10)	(60)
Gullane Primary - extension including Early Learning and 1140	5,506	5,276	3,528	3,780	(1,748)	(252)
Law Primary - extension including Early Learning and 1140	2,048	2,041	58	28	(1,983)	30
Letham Primary - New School	4,796	4,353	4,838	6,436	485	(1,598)
Former Levenhall Nursery	-	-	1	1	1	-
Loretto Primary - 1140	-	-	1	2	1	(1)
Musselburgh Grammar - upgrades	808	812	16	31	(796)	(15)

Appendix 2e

East Lothian Council

End of Year Financial Report Budget Monitoring 2020/21 General Capital - 31 March 2021

Expenditure

2020-21					
Approved Budget	Updated Budget	Actual	P9 Outturn as reported to Council	Updated Budget - Actual Variance	P9 Outturn - Actual Variance
£'000	£'000	£'000	£'000	£'000	£'000

North Berwick High School - Extension
Ormiston Primary - extension
Pinkie St Peter's Primary - extension including Early Learning and 1140
School Estate - Curriculum Upgrades
School Kitchens - 1140 Upgrades
Ross High School - extension
St Gabriel's Primary - extension including Early Learning and 1140
Wallyford Primary - New School
Wallyford Secondary - New School
West Barns Primary - extension including Early Learning and 1140
Whitecraig Primary - extension including Early Learning and 1140
Windygoul Primary - Early learning and 1140 extension
Total Property - Education

6,020	6,020	318	600	(5,702)	(282)
1,097	1,097	73	371	(1,024)	(298)
2,218	2,218	143	300	(2,075)	(157)
330	330	315	330	(15)	(15)
-	-	2	-	2	2
9,819	9,819	365	855	(9,454)	(490)
960	960	51	289	(909)	(238)
-	-	166	170	166	(4)
14,116	14,116	1,371	1,760	(12,745)	(389)
1,505	1,505	140	292	(1,364)	(152)
2,231	2,231	-	10	(2,231)	(10)
2,095	2,095	2	31	(2,094)	(29)
54,777	54,101	11,604	15,586	(42,497)	(3,982)

Property - Other

Accelerating Growth
Brunton Hall - Improved Community Access
Court Accommodation - incl. SPOC
Haddington Corn Exchange - upgrades
Haddington Town House - Refurbishment and Rewire
Lighting Retrofit at Longniddry Community Centre/Library
Lighting Retrofit at Port Seton Community Centre
Meadowmill - New Depot
Meadowmill Sports Centre Car Park Resurfacing
New ways of working Programme
Port Seton - Community Centre Extension
Prestongrange Museum
Property Renewals

7,768	7,768	3,141	4,412	(4,627)	(1,271)
278	278	-	-	(278)	-
2,008	2,008	9	9	(1,999)	-
476	511	787	790	276	(3)
147	147	7	30	(140)	(23)
12	12	19	12	7	7
26	26	18	26	(8)	(8)
1,148	1,290	814	1,290	(475)	(476)
260	260	218	260	(42)	(42)
750	750	-	35	(750)	(35)
607	603	566	581	(37)	(15)
1,268	1,368	76	113	(1,291)	(37)
2,000	2,000	2,002	1,700	2	302

Appendix 2e

East Lothian Council

End of Year Financial Report Budget Monitoring 2020/21 General Capital - 31 March 2021

	2020-21					
	Approved Budget	Updated Budget	Actual	P9 Outturn as reported to Council	Updated Budget - Actual Variance	P9 Outturn - Actual Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure						
Replacement Of Movable Pool Floors To Sports Centres	580	580	544	580	(36)	(36)
Replacement Pathways Centre	1,504	1,504	-	-	(1,504)	-
Sports Centres	200	200	40	200	(160)	(160)
Water meter size reduction	14	14	-	14	(14)	(14)
Whitecraig Community Centre	-	99	3	99	(96)	(96)
Total Property - Other	19,046	19,418	8,244	10,151	(11,172)	(1,907)
Total Property - Education and Other	73,823	73,519	19,848	25,737	(53,669)	(5,889)
Capital Plan Fees	1,322	1,322	1,968	1,322	646	646
Total Gross Expenditure	96,199	98,147	35,751	42,539	(62,394)	(6,788)
Income						
Developer Contribution	(21,172)	(21,436)	(10,059)	(11,066)	11,377	1,007
1140 Grant Income	(9,725)	(9,704)	(312)	(3,184)	9,392	2,872
1140 CFCR from Revenue	-	-	(2,200)	-	(2,200)	(2,200)
Town Centre Regeneration Grant	-	(1,115)	(118)	(280)	997	162
Other Funding Sources	(7,591)	(7,803)	(2,420)	(6,531)	5,383	4,111
Scottish Government General Capital Grant	(8,406)	(8,376)	(8,376)	(8,376)	-	-
Total Income	(46,894)	(48,434)	(23,485)	(29,437)	24,949	5,952
Borrowing Requirement	49,305	49,713	12,266	13,102	(37,445)	(836)

Appendix 2f**East Lothian Council****End of Year Financial Report Budget Monitoring 2020/21 Housing Capital - 31 March 2021**

Capital Expenditure	2020/21	2020/21	2020/2
	Budget	Actual	Variance
	£'000	£'000	£'000
Modernisation Spend	15,652	7,303	(8,349)
New Council Housing	16,094	12,791	(3,303)
Mortgage to Rent	280	0	(280)
Fees	1,514	1,139	(375)
Gross Total Housing Capital Spend	33,540	21,233	(12,307)

REPORT TO: East Lothian Council
MEETING DATE: 22 June 2021
BY: Executive Director for Place
SUBJECT: Draft 2021-2023 East Lothian Poverty Plan

5

1 PURPOSE

- 1.1 To provide Council with the opportunity to comment and review the Draft 2021-2023 East Lothian Poverty Plan prior to public consultation.

2 RECOMMENDATIONS

- 2.1 Council is asked to review and comment on the Draft 2021-2023 East Lothian Poverty Plan prior to public consultation and to note that the final draft of the Plan will be presented for approval to the Council in October 2021.

3 BACKGROUND

- 3.1 In October 2015, the Council agreed to establish the East Lothian Poverty Commission, to bring a new perspective and greater understanding of the problem of poverty and the cycle of deprivation in East Lothian. The establishment of the Poverty Commission supported the Council and East Lothian Partnership to meet the objective of reducing inequalities across and within our communities. The Commission was chaired by Annette Bruton, Principal of Edinburgh College.
- 3.2 The Council provided secretariat, administrative, research and policy support to the Commission but the Commission set its own agenda and produced its own recommendations.
- 3.3 The Commission began its work in January 2016 and over the course of the following months they:

- Defined the scope of their work including developing an understanding of the changing face of poverty in the current economic context and understanding more about inequality and human rights
 - Heard evidence from a range of national and local experts on a range of topics related to poverty including education, employment, the economy, housing and fuel poverty, health inequality, financial inclusion, criminal justice, mental health and wellbeing.
 - Listened to those with lived experience of poverty through face to face meetings, online discussions and written feedback. They also maintained a Facebook page to engage with members of the public through social media.
 - Reviewed written evidence and reports about poverty from national and local organisations including the Scottish Index of Multiple Deprivation, the Joseph Rowntree Foundation, Carnegie Trust and Citizens Advice Scotland.
 - Held engagement events with practitioners and stakeholders to gather their ideas and feedback on the Commission's recommendations.
- 3.4 In October 2016, the Commissioners shared their draft report in an event for stakeholders giving them the opportunity to comment on the draft report and recommendations. This feedback from the event was incorporated into the final report from the Commission.
- 3.5 The final report of the Commission included 56 recommendations based around eight themes:
- Having a home
 - Financially included
 - Secure and Protected
 - Educated
 - Working your way out of Poverty
 - Healthy and Well
 - Connected to the Community
 - Empowered and responsible
- 3.6 The Child Poverty (Scotland) Act 2017 introduced the requirement for each Council and NHS Board to produce a Child Poverty Action Report (CPAR). The CPAR is required to highlight activity already underway to tackle child poverty and to identify actions that will be taken over the next twelve months to prevent, reduce or mitigate against the impact of child poverty. It should demonstrate step change in how we approach the reduction in child poverty.
- 3.7 The Children's Strategic Partnership leads on developing and monitoring progress with the CPAR on behalf of the East Lothian Partnership. The second report on East Lothian's Child Poverty Action Plan 2020 was

reported to the Children's Strategic Partnership in June and has been lodged in the Members' Library.

- 3.8 The 2020 report provides an update on progress with implementing the Action Plan and includes a summary of how East Lothian Council, NHS Lothian and our partners in the East Lothian Partnership are continuing to take action to tackle the scourge of poverty during the COVID-19 pandemic.
- 3.9 The pandemic is known to be having a disproportionate impact on people who are disadvantaged including children and young people. However, the full impact of the virus on society, people's health, the economy and inequality will not be known for some time. The third Child Poverty Action Plan report, which will be published later this year will provide a fuller assessment of the impact of the virus on East Lothian and our Child Poverty Plan and will set out a new Action Plan to take us through recovery into renewal from the virus.
- 3.10 In March 2020 the East Lothian Partnership established a multi-agency Poverty Working Group with the following remit:
- To review progress with the Poverty Plan (recommendations from Poverty Commission)
 - To review the Child Poverty Action Plan and agree 2020 report
 - For both, to take account of the impact of the COVID-19 pandemic and the experience of people living in poverty/ being negatively impacted by the pandemic
 - Merge the two plans into a single East Lothian Poverty Plan (which includes a Child Poverty Plan) 2021-2023; taking into account the impact of COVID.
- 3.11 The group includes representatives from key council services including Education and Children's Services, Connected Communities, Revenues and Benefits, the Health & Social Care Partnership, NHS Lothian and the third sector including Voluntary Centre East Lothian and the two East Lothian CABx.
- 3.12 The working group reviewed the two action plans and mapped progress against each of the actions. This showed that many actions had been fully achieved and significant progress made against most of the other actions.
- 3.13 The group has developed a draft East Lothian Poverty Plan for 2021-2023. This is based around seven themes that were drawn from the Poverty Commission's report and the Child Poverty Action Plan.
- In Work and not in Poverty
 - Financially Included

- Having a Home
 - Educated
 - Healthy and Well
 - Connected
 - Empowered and Responsible
- 3.14 The draft Plan includes 49 objectives/actions with a short description of the work already being undertaken by the Council and partners and further actions that should be prioritised over the next two years.
- 3.15 The draft Poverty Plan incorporates East Lothian's Child Poverty Action Plan as we cannot tackle and eradicate child poverty unless we tackle poverty and inequality. It is closely aligned to, and sits alongside, other plans and strategies that include a focus on and actions that will contribute to the aim of tackling poverty and breaking the cycle of poverty. These include the draft of the new Equality Plan 2021-2025 which has six key themes:
- Access to services
 - Housing
 - Education
 - Hate crime and violence against women and girls
 - Inclusive communities
 - Equality in the Workplace
- 3.16 Other plans that are aligned to the Poverty Plan include the 2020-2023 Children and Young Peoples Services Plan, the Local Housing Strategy, the Education Improvement Plan, Developing the Young Workforce and the IJB's strategic plan.
- 3.17 Throughout 2020/21 supporting individuals and communities that faced financial and food insecurity and growing levels of poverty as a result of the COVID pandemic lockdown was a key priority for the council
- 3.18 Additional funding was made available from the Scottish Government to extend Free School Meal provision over the summer, mid-term, Christmas and Easter holidays. Also £100 hardship payments during these periods were made for every child in receipt of Free School Meals.
- 3.19 The Council also received several one-off funding allocations from the Scottish Government during 2020/21 to support people isolating under Test and Protect, and families and households who were vulnerable for other reasons and maybe not able to access food supplies or experiencing financial insecurity related to, or exacerbated by, COVID-19.
- 3.20 The additional funding received by the council was used in innovative ways to have maximum effect in supporting vulnerable people and people in poverty.
- The majority of the new funding was allocated through East Lothian's six Area Partnerships to support the massive community effort to provide meals, food and other supplies to people who were shielding

and an increasing number of people who were facing severe financial difficulty because of the economic impact of the pandemic. Examples of how this funding has been used include: creating food pantries in each area; supporting several Community Kitchens; the provision of meals, or soup and sandwich to hundreds of families and pensioners throughout 2020/21; and establishing the Fareshare Hub which provides food supplies for over a dozen community food initiatives across East Lothian.

- A new Coronavirus Fuel Poverty Fund was created to help households struggling to afford to heat their homes and keep the lights turned on. Almost 600 payments of £100 were made to people who needed help with their gas or electricity charges.
- £75,000 was allocated to augment the Discretionary Housing Payment Fund to assist tenants with rent arrears who may be eligible for a DHP award or a top up of an existing award and have experienced new/ increased rent arrears in 2020/21.
- Children's Services was allocated funding to support families and young people through Section 22 and Section 29 Social Work payments, supplementing income and cost of temporary accommodation for Looked After Young People.
- £30,000 was allocated to Adult Social Work, to support vulnerable clients in financial difficulty. The funding was distributed via third sector partners including Carers of East Lothian as well as through the Community Justice and S12 Social Work payments.

3.21 Just over £1m Scottish Government funding to support people facing financial insecurity and people adversely affected by the pandemic lockdown that came to the council in late 2020/21 has been carried forward into 2021/22. This COVID funding, which is non-recurring is being allocated in line with the guidance from the Scottish Government to address the need to continue to support individuals and families at financial risk due the impact of COVID.

3.22 It is proposed that consultation on the draft Poverty Plan, including hearing and reflecting the lived experience of people, including care experienced young people, will take place over the summer and early autumn. A revised and final draft of the Plan will then be brought to the Council and East Lothian Partnership Governance Group for approval in October/ November 2021.

4 POLICY IMPLICATIONS

4.1 The draft Poverty Plan 2021-2023 includes actions that the Council and the East Lothian Partnership can put in place to contribute to reducing inequalities and breaking the cycle of poverty in East Lothian.

5 INTEGRATED IMPACT ASSESSMENT

The draft Poverty Plan has yet not been impact assessed as it is a consultation document. A full Integrated Impact Assessment will be carried out, including evidence gathered from the consultation, before the final draft of the Plan comes back to Council for approval.

6 RESOURCE IMPLICATIONS

6.1 Financial – Just over £1m Scottish Government funding to support people facing financial insecurity and people adversely affected by the pandemic lockdown that came to the council in late 2020/21 has been carried forward into 2021/22. The draft 2021-2023 Poverty Plan contains a number of actions that may have resource implications. These will be contained within existing budgets. Any actions that required resources that cannot be contained within existing budgets will be considered as part of the budget planning process.

6.2 Personnel – none.

6.3 Other – none.

7 BACKGROUND PAPERS

7.1 Appendix 1: Draft East Lothian Poverty Plan 2021-2023

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DATE	10 th June 2021

DRAFT 2021-2023 East Lothian Poverty Plan

Vision and Objectives

East Lothian Council and East Lothian Partnership share the same 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 vision is very relevant as we begin to try to 'Build Back Better' from the COVID pandemic. It is in line with the twenty 'Calls for Action' made in the Social Renewal Advisory Board's final report, 'If Not Now, When?' (January 2021), in particular, the call for action that public bodies should: ***Focus everyone and all activities on building more resilient, fairer, healthier and stronger communities and places.***

The Council's 2017-22 Council Plan and the Partnership's 2017-2027 East Lothian Plan share the overarching objective of: ***reducing inequalities within and across our communities.***

This objective was given prominence following the report of the East Lothian Poverty Commission in 2016, which highlighted the scourge of poverty on our society and the need to take concerted action to break the cycle of poverty. The Commission's report included around 50 recommendations that formed the basis of the 2017 East Lothian Poverty Plan and were also reflected in the 2019 Child Poverty Action Plan.

Both these action plans have substantially been completed but much still needs to be done since poverty has increased as a result of the COVID pandemic which has had devastating consequences on our economy, society, health. The following statistics provide a summary of the significant negative impact the pandemic has had on East Lothian – the number of East Lothian residents claiming Universal Credit doubled from February 2020 to May 2020 and at the height of the pandemic over 7,500 East Lothian resident were 'furloughed' from the job.

Although the full impact of the virus on society, people's health, the economy and inequality will not be known for some time we know that the pandemic is having a disproportionate impact on people who are disadvantaged and in poverty, including children and young people.

This new Draft 2021-2023 Poverty Plan has been drawn up to act as a key part of East Lothian’s building back better from the pandemic. It builds on the work of the Poverty Commission and the recommendations it made. It is only a two year plan as it is recognised that we will need to review progress within that timescale and may need to develop a new Plan with new priorities that reflect on and respond to the full impact of the pandemic. Over the next two years we will need to assess also the impact of the Scottish Government’s actions and additional funding to tackle child poverty such as the doubling of the Scottish Child Payment, the extension of Free School Meals and the development of wrap around care for children throughout the year and the introduction of the Minimum Income Guarantee.

The Draft 2021-2023 East Lothian Poverty Plan has seven key themes and objectives.



These themes are also aligned to the strategic goals set in the 2017-2021 Council Plan, which will support the aim of reducing poverty:

- *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*

Addressing Climate Change and taking action to meet the zero emission target has not been included as a specific objective in the Plan but it is a key driver of the Council Plan and East Lothian Plan. Although not a specific objective of this Poverty Plan several of the actions in the Plan, such as reducing fuel poverty and tackling digital exclusion will have a significant positive impact in addressing climate change and help East Lothian meet the net zero emission target.

Tackling Poverty during the COVID Pandemic

Throughout 2020/21 supporting individuals and communities that faced financial and food insecurity and growing levels of poverty was a key priority for the council and all our partners.

Additional funding was made available from the Scottish Government to extend Free School Meal provision over the Summer, mid-term, Christmas and Easter holidays and to make £100 hardship payments during these periods for every child in receipt of Free School Meals.

The council also received several one-off funding allocations from the Scottish Government during 2020/21 to support people isolating under Test and Protect and families, and households who were vulnerable for other reasons and maybe not able to access food supplies or experiencing financial insecurity related to, or exacerbated by, COVID-19. This additional funding was used in innovative ways to have maximum effect in supporting vulnerable people and people in poverty.

- The majority of the new funding was allocated through East Lothian's six Area Partnerships to support the massive community effort to provide meals, food and other supplies to people who were shielding and an increasing number of people who were

facing severe financial difficulty because of the economic impact of the pandemic. Examples of how this funding has been used include: creating food pantries in each area; supporting several Community Kitchens; the provision of meals, or soup and sandwich to hundreds of families and pensioners throughout 2020/21; and establishing the Fareshare Hub which provides food supplies for over a dozen community food initiatives across East Lothian.

- A new Coronavirus Fuel Poverty Fund was created to help households who are under intense financial hardship during these uncertain times and are struggling to afford to heat their homes and keep the lights turned on. Almost 600 one-off payments of £100 were paid to people who needed help with their gas or electricity bills.
- The Discretionary Housing Payment Fund received an additional allocation of funding to assist tenants with rent arrears who may be eligible for a DHP award or a top up of an existing award and have experienced new/ increased rent arrears in 2020/21.
- Children's Services was allocated funding to support families and young people through Section 22 and Section 29 Social Work payments, supplementing income and cost of temporary B&B accommodation for Looked After Young People.
- Adult Social Work received additional funding, which was distributed via third sector partners including Carers of East Lothian as well as through Community Justice and S12 payments to support vulnerable clients in financial difficulty.

Developing the Draft Poverty Plan

The draft 2021-23 East Lothian Poverty Plan has been developed by a multi-agency Working Group. This group includes representatives from key council services, including Education and Children's Services, Connected Communities and Revenues and Benefits, the Health & Social Care Partnership, NHS Lothian and the third sector, including Voluntary Centre East Lothian and East Lothian's two Citizen Advice Bureaux.

The group was given the remit in March 2020 to review progress with the existing Poverty and Child Poverty Actions Plans and to produce a new Poverty Plan. The group's work was put on hold for a large part of 2020 as all efforts were concentrated on responding to the COVID pandemic. Monitoring reports on the two Action Plans produced in early 2021 showed that progress has been made against the vast majority of the actions set out in the plans, but the group also identified where further action is required to continue the work necessary to tackle inequality and poverty and deal with the consequences of the pandemic.

The East Lothian Poverty Commission's final report reflected the lived experience of people affected by, and living in, poverty. The Poverty Working Group has tried to continue this process and is committed to ensuring that the views of people with lived experience will be taken into account in the consultation on this draft Plan. Equally important, this approach has been embedded in the Draft Plan by the inclusion of actions under the Empowered and Responsible theme, to ensure that the view of 'experts by experience' are taken into account as the Plan is implemented and progress is monitored.

This commitment sits alongside commitments to ensure that 'experts by experience' will be integral to the development of Council policies. For example, in response to the Independent Care Review's report into the care system, East Lothian Council has given a commitment to **#KeepThePromise**. A new Promise Partnership Team will work with our Partners in Co-design Panel to ensure that the voice of care experienced young people is heard, that we understand what families need, and design services to meet those needs and respond flexibly and intensively when required to support families to stay together.

The Draft 2021-2023 Poverty Plan is aligned to other council and partnership plans and strategies that include a focus on, and actions that will contribute to, the aim of tackling poverty and breaking the cycle of poverty. These include the draft of the new Equality Plan 2021-2025, the Local Housing Strategy, the Education Improvement Plan, the Developing the Young Workforce plan and the Integration Joint Board's strategic plan.

Importantly, there is a close alignment with the 2020-2023 Children and Young People Service Plan, which has as one of its three themes: ***Reduce inequalities for our children and young people within and between our communities.***

The Draft 2021-23 Poverty Plan incorporates East Lothian's Child Poverty Action Plan ensuring there is a co-ordinated and strategic approach to tackling child poverty, as part of the plan to tackle and eradicate poverty and inequality in East Lothian.

The Action Plan

The East Lothian Poverty Plan is set out as an Action Plan that shows the actions that will be undertaken and prioritised by East Lothian Council and its partners in the East Lothian Partnership to make real progress towards achieving the vision and objectives.

The draft Action Plan includes 49 objectives/ actions with a short description of the work already being undertaken by the council and partners in relation to each action and a final column that outlines further actions that should be prioritised over the next two years.

The council is reviewing all of its performance indicators to take account of the impact of the pandemic and the recovery plans to build back better. This work includes the development of new equality and poverty indicators and targets in line with the National performance Framework and the legally binding poverty targets set by the Scottish Parliament. These new indicators will be used to monitor the effectiveness of, and progress with, the Poverty Plan.

Draft East Lothian Poverty Action Plan 2021-2023

1. In Work and Not In Poverty				
	Objectives and Actions	Lead service/ partner	Progress to date	New or Further Actions 2021-2023
1.1	East Lothian should work to attract good quality jobs into the area, providing opportunities for career progression and in work training to ensure longer-term benefit for both employees and the local economy.	Connected Economy Group	<p>This is a priority within the Council Plan 2017-2022 and the East Lothian Plan 2017-2027 and is the focus of the Economic Development Strategy and the City Region Deal</p> <p>The City Deal Joint Committee have approved a consultation draft Regional Prosperity Framework (RPF) that will consolidate a cohesive regional partnership approach across a broad range of projects and policy areas. The RPF will articulate regional ambition to address pre-existing, current and future economic challenges. Consultation on the RPF will run from 14 June to 26 July 2021.</p>	<p>The East Lothian Partnership's Connected Economy Group is focussed on economic recovery from the pandemic using the Recovery Investment Fund and has several workstreams aimed at increasing good quality job opportunities and supporting people into work and back into work.</p> <p>The Economic Development Strategy and supporting Tourism Strategy renewal will be initiated following the completion of the Regional Prosperity Fund.</p>
1.2	East Lothian should become a 'Living Wage' local authority area and East Lothian public sector partners should lead this process by becoming achieving Scottish Living Wage Accreditation.	East Lothian Council / NHS Lothian	<p>Commitment to the Living Wage is written into the East Lothian Plan. East Lothian Council is not "Scottish Living Wage accredited" but has incorporated the Living Wage into its pay scales.</p> <p>The council is working with Living Wage Scotland to get accreditation.</p>	<p>The Council will apply for Living Wage Accreditation in 2021</p> <p>NHS Lothian will continue to explore how to achieve Living Wage Accreditation.</p>

			<p>The Council's Sustainable Procurement Strategy (Oct 2020) includes a commitment to Fair Employment and Fair Wages to be built into all relevant contracts</p> <p>Commitment to the living wage is important to the NHS Lothian and has been discussed at board level. At present NHS Lothian employees are all paid the living wage or higher. However NHS Lothian has not yet achieved accreditation due to supply chains and external providers.</p>	
1.3	Develop a range of options for childcare for working parents and carers including parent led childcare opportunities, social enterprises and other models which support parents to return to or sustain employment/ education.	ELC – Education service	<p>East Lothian Council was working towards implementing the commitment deliver 1140 hours of childcare for 3-5 year olds and eligible 2 year olds from August 2020. But implementation was postponed due to the pandemic</p> <p>The council's strategy is based on close working between the Council, private and voluntary sector providers to develop innovative ways to deliver the service to meet the needs of our diverse communities</p>	<p>1140 hours Early Learning and Childcare will be provided to all eligible children in August 2021</p> <p>The council will put in place plans to meet any further requirements to extend Early Learning and Childcare</p>
1.4	East Lothian Works should develop a focused project to improve skills, confidence and opportunities for parents funding to allow them to return to work or education and lead	East Lothian Works	<ul style="list-style-type: none"> • Working with Wallyford Pilot project – employability support for parents ran over two years in partnership with Wallyford PS. Outcomes included parents moving into work and to FE. Plans developed to roll out to other schools were suspended due to COVID-19. 	<p>Continue roll out of PESF paid work experience and review/ develop Working with Wallyford project with other schools/ community groups.</p> <p>PESF will target: lone parents; disabled parents; 3+ children;</p>

	to better long term outcomes for their young families.		<ul style="list-style-type: none"> • Parental Employability Support Fund (PESF) with funding from Tackling Child Poverty Fund to support parents into work and to progress in work. Implementation delayed due to COVID-19 but started early 2021. Aim is to tackle in-work poverty through upskilling, career progression and increase in hours/ income. • Paid Work Experience (PWE) was opened up to all ages and for p/t positions to increase accessibility for parents. 	<p>ethnic minority; youngest child <1; and, mothers aged <25years; kinship carers.</p> <p>Funding through PESF boost received from Scottish Government to offer pre-employment support to young parents, parents benefiting from 1140 and disabled parents Proposals being drawn up to start 2021.</p>
1.5	Implement Developing Scotland's Young Workforce plan for East Lothian and work with the business community and other partners to provide more support for skills development, focusing on those further from the labour market.	East Lothian Works	<p>The Developing Scotland's Young Workforce (DYP) Regional group has established closer working with schools and business including the establishment of a Partnership Group with representatives from both businesses and schools. All partners are actively collaborating to deliver the "Developing Scotland's Young Workforce" recommendations and outcomes,</p> <p>East Lothian Works, in partnership with the DYW Regional Group, have employed three DYW School Coordinators who will work across the six high schools.</p> <p>Foundation Apprenticeships contracts have been awarded to East Lothian Works including two frameworks which are now embedded in schools.</p>	<p>Implement the Workforce for the Future policy</p> <p>Develop suitable pathways for care experienced young people to access Modern Apprenticeships and appropriate support during and after the job application process.</p> <p>East Lothian Works to continue to deliver Kickstart as a Gateway Organisation and an employer and work with East Lothian Council Departments to explore if automatic interviews for Modern Apprenticeships can be offered to care experienced young people.</p> <p>East Lothian Works to put in place support to care experienced young</p>

			<p>East Lothian's Local Employability Partnership (LEP). Its focus is the implementation of No-one Left Behind and the Young Person's Guarantee. LEP includes partners from Skills Development Scotland, DWP, Edinburgh College, Health & Social Care Partnership.</p> <p>East Lothian Works is delivering Kickstart as a Gateway Organisation (to private and 3rd sectors) and as an employer and is also delivering an Employer Recruitment Incentive (ERI) – grants to support young people and adults with multiple barriers to move into sustainable job opportunities.</p> <p>East Lothian Works developed the Workforce for the Future policy which outlines opportunities for East Lothian residents to access employability support and work based learning.</p>	<p>people before, during and after the job application process</p> <p>LEP to prepare for next phase of No One Left Behind funding (expected April 2022), including working with partners to look at labour market trends and skills gaps to develop appropriate provision</p> <p>Implement Young Person's Guarantee delivery plan for 2021-22 including expanding the number of ERIs / wage subsidies, MA opportunities and extended Kickstart opportunities and targeted support for young people with additional barriers, including care experienced and those with disabilities.</p>
1.6	Ensure adult learning opportunities incorporate the right provision to ensure people can continue to develop and expand their skills.	East Lothian Works and Connected Communities	<p>East Lothian Works continues to deliver Adult Literacy & Numeracy, Employability with integrated literacies and ESOL provision, including ESOL for the Syrian Resettlement Programme. All provision was delivered remotely in 2020/21.</p> <p>Skills for Work – partnership with Edinburgh College to deliver community based SQA courses in Early Learning & Childcare and Health & Social Care. Further discussions</p>	<p>Develop the new Community Learning and Development Plan</p> <p>Continue to provide access to lifelong learning opportunities, including accredited courses for adults across East Lothian to develop skills for the workplace, this includes developing the skills of parents to support their children with learning and for adults to</p>

			with college to develop offer based on skills gaps/ job opportunities.	develop appropriate skills for changing labour market.
1.7	Support volunteering opportunities as a key way in which to build skills and networks for mutual benefit between communities and individuals.	Volunteer Centre East Lothian / Connected Communities Service	A high proportion of young people in East Lothian participate in volunteering activity and skills enhancing activities such as Duke of Edinburgh Award and the Saltire Award Volunteer Centre East Lothian is developing a new Volunteering Strategy for East Lothian.	Adopt and implement the new Volunteering Strategy for East Lothian.
1.8	Deliver the 'Intensive Family Support Service' in Musselburgh East alongside the 'Our Families' Project	City Region Deal Project	The Musselburgh Family Focus service is now known as 'Our Families Project and the team which includes posts funded through the Edinburgh and South East Scotland Region Deal is now in place. The service includes family wellbeing and support, money advice, and employability support. The team is working within three primary schools of Pinkie St Peters, Wallyford and Whitecraig. Education and Children's Service have reviewed delivery of family support across East Lothian to improve co-ordination and links with other relevant services	Report on outcomes for 1 st year in summer 2021 and continue to develop the service
1.9	Deliver the East Lothian Offender Recovery Service (ELORS – Access to Industry) interventions for people with convictions who are seeking	Access to Industry and East Lothian Works	ELORS provides individual interventions for people with convictions who are seeking entry into Employment, Training and Education (as per the "No One Left Behind" national employability agenda).	Continue to deliver the ELORS programme to support people with convictions to get into employment, training or education and deliver alternative opportunities for people

	entry into Employment, Training or Education		East Lothian Works provides funding to Access to Industry for this project through the ESF Challenge Fund. They also receive match funding through the One Council Partnership Fund. People with convictions, requiring employability support are referred to A2i.	with convictions further along the Skills Pipeline
1.10	<p>Armed forces leavers are aware of and access, education and employment services in EL</p> <p>Improve recognition amongst local business and employers of transferable skills</p> <p>Opportunities are available to armed forces leaver to retrain to secure alternative employment</p>	East Lothian Armed Forces Covenant Group	This has been identified as a priority action for the AF Covenant Group for development over 2021/22	<p>Work with the Carer Transition Partnership (CTP) to encourage armed forces leavers to access education and employment support in East Lothian - Improved prospects of education, employment and volunteering for armed forces leavers coming to EL</p> <p>Work with the education sector, local businesses, and voluntary sector to skill match and promote education and employment opportunities in EL</p>

2. Financially Included				
	Objectives and Actions	Lead	Progress to date	New or Further Actions 2021-2023
2.1	Enhance the impact of independent advice services by improved targeting of income maximisation checks for those who are most vulnerable at the point of need; including, where possible and appropriate, provision of debt and money advice	Communities & Partnerships and Revenues & Benefits services	<p>The Council's contract with East Lothian Advice Consortium (ELAC) is based on targeting advice to those most in need. The outputs and outcomes of the service are monitored quarterly and annually.</p> <p>The new Community Link Worker service operating across all GP practices has been established</p> <p>The Macmillan Improving the Cancer Journey service will be available in East Lothian from summer 2021.</p> <p>Carers of East Lothian has a dedicated welfare rights worker to support carers with income maximisation. This post helps to reduce the financial impact of caring</p> <p>Musselburgh CAB has received funding from Citizens Advice Scotland to support the East Lothian Financial Inclusion Network</p>	<p>Continue to work in partnership with ELAC to ensure that independent advice services continue to target income maximisation for those who are most vulnerable</p> <p>Monitor the development of the Community Link Worker service</p> <p>Develop an improved referral system between all services working in East Lothian, including the Community Link Worker service to encourage closer working and early intervention</p> <p>Support vulnerable young people and families by developing better links and opportunities for coordination between social work and income maximisation services.</p> <p>Support the ongoing development of the East Lothian Financial Inclusion Network</p>

2.2	Develop the role and remit of the Council's Financial Inclusion team to enhance joint working with other Council services and third sector organisations to provide specialist benefits related advice to local residents in need of help or facing hardship	Revenues Service / Financial Inclusion Team	Financial Inclusion Adviser posts established on a permanent basis within the Council's Revenues Service in August 2020 and a full-time permanent Team Leader appointed to manage the wider Financial Inclusion Service in May 2021, which consists of dedicated Welfare Rights (WR) service, Macmillan WR service, Into Work Employability WR service and Financial Inclusion service.	Integrate ELC Adult Social Care Financial Assessments service within the Financial Inclusion team.
2.3	Maximise the uptake of new Scottish Security benefits	All services and partners	Social Security Scotland development team has met with various council and other services to share information about their new services and model of working.	Support the delivery of and publicise the new social security arrangements as appropriate
2.4	Develop financial inclusion pathways from healthcare services and increase uptake of Healthy Start/ Best Start grants	NHS Lothian	Midwifery and Health Visiting services were developing a financial inclusion pathway but progress was delayed due to ongoing COVID pressures. Discussions being held with ELHSCP to explore a possible pilot along with a Primary Care financial pathway.	Develop a financial inclusion pathway for midwifery and Health Visiting services Increase uptake of Healthy Start/ Best Start grants by, for example, including information when parents register children for a nursery place.
2.5	Address the causes of food poverty/ insecurity	Corporate Policy & Improvement / Connected Communities / NHS Lothian	COVID has increased local reliance on community food provisions such as food banks, Fundamental Foods, Our Community Kitchen, and new Food Pantries and Larders Significant support has been provided by statutory bodies, voluntary and community	Continue to support the East Lothian Food Friendly Network and sustainable initiatives to increase access to food, cooking skills and facilitate social interaction with the aim of reducing reliance on emergency food.

			<p>effort to provide emergency food to people during the pandemic.</p> <p>The Fareshare HUB was established to support local community food initiatives. It also helps to reduce food waste.</p> <p>NHS Health Improvement Fund, administered by the East Lothian Health Improvement Alliance, has prioritised Improved Nutrition & Reduced Nutritional Inequalities in Early Years and Children in East Lothian and has supported projects that use a community led health approach.</p> <p>The Council's Environmental Health Service and NHS Lothian have established the Long Life in Musselburgh project is promoting health food and eating in Musselburgh</p>	<p>Develop an East Lothian Food Growing Strategy</p>
2.6	<p>Financial education should be included in the curriculum from an early age to ensure that young people, including care experienced young people have the financial capability they need for the future.</p>	<p>Education and Children's / Community Housing / Connected Communities</p>	<p>This is already covered in the curriculum within maths and numeracy. Some schools also organise a 'Money Week'</p> <p>The Council is working with the Bridges Project who deliver life skills training including a tenancy qualification for young vulnerable people. This project is ongoing offering a range of practical skills development. Recently produced and vocational brochure for client group</p> <p>Life skills such as cookery classes are provided by several community projects e.g. via Fundamental Foods, The Ridge in</p>	<p>Increase financial education and 'life skills' as part of basic education in school</p> <p>Put in place a learning and development programme for foster carers/ Kinship carers and residential workers to ensure care experienced young people have the financial capability they need for the future.</p> <p>Instigate a programme of training around bank accounts, money</p>

			Dunbar, North Berwick Kindness Co-operative and The Bridges Project in Musselburgh	management and budgeting for foster carers, kinship carers and residential workers
2.7	Employees should have access to advice services when needed e.g. information about Macmillan Support for those who are affected by cancer	East Lothian Council and NHS Lothian	Macmillan support – information about welfare related benefits issued to employees who hit sickness trigger points (for any reason, not just cancer diagnosis) advising they may be entitled to financial support and signposting to ELC Financial Inclusion team.	The Macmillan Improving the Cancer Journey service will offer tailored advice and support to people affected by cancer in relation to non-clinical issues including employment, housing and financial inclusion
2.8	Tackle 'period poverty' by ensuring access to a choice of period products for those who need them	ELC CPI Policy Officers and Education services	Options for delivery of new schemes being explored and will be up and running by July 2021 (for communities) and August 2021 (for schools)	Set up schemes for community access to products that promote choice for schools access to products (Red Box schemes)

3. Having a Home				
	Objectives and Actions	Lead	Progress to date	New or Further Actions 2021-2023
3.1	Increase supply and range of affordable housing options	ELC – Housing Strategy and Development	<p>Increasing the supply and range of affordable housing options and in particular the supply of socially rented stock are key components of the new Local Housing Strategy 2018-2023 which was approved by East Lothian Council</p> <p>Annual house completions achieved:</p> <p>2018/19: ELC: 20 / RSL: 83 / Other: 34 2019/20: ELC:104 / RSL: 28 / Others: 34 2020/2: ELC: 94 / RSL: 36 / Other: 5</p>	<p>The Housing Strategy and house completion targets will be reviewed in 2021 to take account of the impact of COVID-19</p> <p>Implement the Wheelchair Accessible Housing Standards across all tenures (Housing Strategy & Development / Planning)</p> <p>Increase the supply of accessible and adaptable provision, suitable for those with mental ill health, autism, and/or learning disabilities to ensure they can remain in communities they are from.</p>
3.2	Increase supply of appropriate temporary accommodation to reduce the reliance on B&B accommodation and provide improved long-term outcomes for those who find themselves homeless.	ELC – Community Housing/ Homelessness service / Housing Strategy & Development	<p>The Council published a Homelessness Action Plan (Nov 2017).</p> <p>Annual Rapid Rehousing Transition Plan update to be prepared annually. The key aims of Rapid Rehousing are to end rough sleeping; transform the use of temporary accommodation; and contribute to ending homelessness across Scotland. Where homelessness cannot be prevented the approach refers to:</p>	<p>Implement the Rapid Rehousing Transition Plan</p> <p>Implement Housing First initiatives including specific gendered response for women subjected to domestic abuse with co-occurring mental ill health and/or substance misuse.</p> <p>Implement prevention guidance as per the Scottish Government's</p>

			<ul style="list-style-type: none"> • A settled, mainstream housing outcome as quickly as possible; • Time spent in any form of temporary accommodation reduced to a minimum, with fewer transitions the better; and • When temporary accommodation is needed, the optimum type is mainstream, furnished and within a community <p>SHORE Procedures in place and dedicated staff recruited. Data sharing agreements between the Scottish Prison Service and ELC complete. Process for delivery of SHORE running between Housing, Justice Social Work and Edinburgh prison.</p>	<p>Prevention Review Recommendations for at risk groups. Specifically, young people leaving care, people subjected to domestic abuse, people leaving prison, people with NRPF, people leaving hospital without suitable accommodation and people leaving the armed forces.</p> <p>Implement SHORE standards across all tenures for people leaving prison.</p>
3.3	Increase the awareness and uptake of energy efficiency advice and improve tenant and owner understanding of energy efficiency across all tenures	Housing Strategy & Development / Estates	<p>Energy efficiency advice and information is provided to households in all tenures via Changeworks.</p> <p>The Council's 'Scheme of Assistance' to help homeowners, private landlords and private tenants to repair, maintain, improve and adapt their properties was delayed due to limited resources.</p> <p>ELC commissioned Changeworks to complete a LHEES in the private rented sector. This has increased knowledge of fuel poverty and energy efficiency in the sector.</p>	<p>Implement the Scheme of Assistance and Below Tolerable Standards Strategy– new proposed date October 2022</p> <p>Deliver LHEES when it becomes a Statutory Duty by 2023.</p>

			From 2020, Energy Efficiency Scotland will support building owners, homeowners and landlords to improve their buildings and heating systems to reach the required energy ratings.	
3.4	Reduce Fuel Poverty	Community Housing and Housing Strategy & Development / Estates	<p>The Local Housing Strategy outlines a range of measures to reduce fuel poverty. The strategy has been adopted and targets set up to 2023.</p> <p>The Community Housing service and the Council's Transformation team are exploring options around renewable energy (including solar PV installation), bulk buying, heat exchange, battery storage and cheaper preferred energy supplier for council housing.</p> <p>From 2020, Energy Efficiency Scotland will support building owners, homeowners and landlords to improve their buildings and heating systems to reach the required energy ratings.</p> <p>The Community Housing service and the Council's Transformation team are exploring options around renewable energy (including solar PV installation), bulk buying, heat exchange, battery storage and cheaper preferred energy supplier for council housing.</p>	<p>Improve knowledge of the levels, extent and nature of fuel poverty and energy efficiency of housing</p> <p>Continue to provide / facilitate services to maximise household income / reduce household debt</p> <p>Continue to target energy efficiency advice at households most at risk of fuel poverty</p> <p>Reduce the cost of fuel to households and communities where practical via a range of measures</p>

			The council has negotiated a low energy tariff for East Lothian residents with People's Energy	
3.5	Continue the Tenancy Support Service and the Pre-tenancy Support offered by Housing services as part of their preventative approach.	ELC – Community Housing/ Housing Options Team	The Tenancy Support Service and Pre-tenancy support services are continuing. Pre-tenancy support is one of the themes of the Homelessness Action Plan (see 1.2 above)	
3.6	Ensure that all areas of East Lothian continue to be supported in tenant participation activity, giving residents a range of opportunities for local involvement that suit them.	ELC – Community Housing in partnership with ELTRP	In October 2017 the Council's tenant scrutiny framework won a Gold Standard award from the Tenants Information Service (TIS) and Scotland's Housing Network. The award recognises the level of customer participation, engagement, and influence	A new Tenants Participation Strategy has been developed in partnership with ELTRP. Increase tenants awareness of rights in the Private Rented Sector (Licensing / Housing Strategy & Development / Housing Options Team)
3.7	Continue to implement the Minimum Standard of Accommodation at the Gypsy Traveller site and work with residents to identify further improvements needed in line with the new Scottish Government Gypsy Traveller Strategy	East Lothian and Midlothian Councils (it is a shared site)	Improvement Plan for Gypsy / Travellers with a focus on existing accommodation and recommendations agreed in September 2020	Implement the Improvement Plan for Gypsy Travellers

4. Educated				
	Objectives and Actions	Lead	Progress to date	New or Further Actions 2021-2023
4.1	East Lothian Education Authority should develop clear policies to reduce inequality in schools, and should develop a whole school approach to raising awareness of the impact of poverty on education and what education can do to mitigate the cycle of poverty.	ELC – Education and Children’s Service	<p>There have been presentations on the Poverty Commission report to HT/DHTs and on poverty at support staff and secondary teachers conferences. The Edinburgh guide to poverty has been disseminated to schools. Parent Councils received Cost of School Day support materials and asked to consider when planning annual fundraising calendar with school. There have been discussions about the introduction of a more generic uniform (with an associated schools badge) for schools in individual clusters.</p> <p>A monitoring / tracking tool for broad general education is being developed in East Lothian – this will help to identify and monitor the attainment gap. An ‘Included, Engaged and Involved’ policy is in place. ‘Poverty, Equality and Inclusion Toolkit’ for Early Years Services and related training is being developed. School Reviews include a focus on poverty and the use of SIMD data and other data to demonstrate school commitment to reducing inequalities in schools.</p>	<p>Raise awareness and understanding of the impact of Child Poverty by delivering the 1 in 5 training to head teachers, teachers and school based staff</p> <p>Raise awareness and understanding of the impact of Child Poverty by delivering briefings and training sessions to children social work staff.</p>

4.2	Schools need to work towards reducing the attainment gap with a real understanding of the way in which poverty affects attainment.	Education and Children's Service	<p>There is ongoing monitoring of attainment by SIMD, and other factors including exclusion rates.</p> <p>A framework for the implementation of the Pupil Equity Fund is being developed</p> <p>Equity and Excellence Officers in the Early Years team are working with eight primary schools and Olivebank to reduce poverty related attainment gap</p> <p>The Raising Attainment Strategy aims to provide a relentless strategic focus on raising attainment, which coordinates best practice in East Lothian schools, the professional knowledge and experience of school and centrally based staff, national practice and international perspective and recommendations.</p> <p>The Strategy has four workstreams including the Poverty Related Attainment Gap workstream.</p> <p>Caring at a young age has been reported to have a significant impact on young people's attainment in schools. The service specification for young carers has a greater focus on working with education to raise the profile of young carers.</p>	Support The Poverty Related Attainment Gap workstream and the implementation of improvement methodology to reduce the poverty related attainment gap and support the development and evaluation of these interventions alongside PEF interventions.
4.3	Expand efforts to address food insecurity and morning hunger for children and young people	Education and Children's Service /	£30,000 of 'Holiday Hunger/ food insecurity' funding has been baselined in	Support the implementation and roll out and take of the Scottish Government's initiatives to tackle

	to improve their educational attainment and overall well-being.	Connected Communities	<p>the Council's Education budget and is distributed via Connected Communities'</p> <p>Significant developments in providing food for vulnerable children – including Free School Meals, payment of a Free Schools Meals allowance via BACS, and lunch clubs – have taken place through the COVID pandemic</p> <p>The Scottish Government's programme for government includes several initiatives and pledges that aim to reduce food insecurity among children and young people, including extension of Free School Meal provision throughout the year and to additional age groups, introducing a new Healthy Milk Snack and providing wrap around care including breakfast and after school provision for vulnerable children</p>	food insecurity among children and young people
4.4	Reduce the digital divide and digital exclusion among children and young people, including are experienced young people	ELC – Education and Children's Service (Schools Digital Group) / Connected Communities Service	<p>The Education service and Schools Digital Group are developing an approach to the Senior Phase across schools using IT to enhance / support delivery of the curriculum.</p> <p>There have been significant developments in digital learning and provision of tablets and other devices to pupils as a result of the pandemic</p> <p>Connecting Scotland initiative has provided children and families (including</p>	<p>Schools will consider how they can use their existing digital resources to support wider engagement and development of digital skills for families.</p> <p>Particular focus will be taken of digital needs of care experienced young people</p>

			Care Experienced Young People) with free digital devices and wifi.	
4.5	Increase the number of residents from specific target groups accessing local sport and leisure facilities at reduced rates, including a review of peak time access for those with Leisure Cards	Active Schools & Enjoy Leisure	<p>The Access to Leisure scheme has been updated to reflect the changes to Universal Credit.</p> <p>Developments being planned include</p> <ol style="list-style-type: none"> 1. Continue to offer Free Active School activities to those entitled to Free School Meals and all Care Experienced Young People & explore potential to expand this to include young carers 2. Establish ABU Kit Stop – Recycle sports equipment 3. Establish EL Sports Club Membership Scheme 4. Establish Walk With School and Connected Community Access Funds. 	<p>Design and promote encompassing “Reducing Barriers to Sport & Activity” booklet, which will include details of 1, 2, 3 & 4</p> <p>Promote, monitor and evaluate impact of 1, 2, 3 & 4.</p> <p>Review the peak time access for the leisure card, which currently it can only be used from 9-4 Mon to Thurs.</p>
4.6	Support from the Start local initiatives to support the best start in life for children and young people	NHS Lothian, Support from the Start	Support from the Start groups continue to operate across the count. They are being supported by the Parenting and Family Support Co-ordinator	Continue to support ‘Support from the Start’ groups
4.7	Work with Parent Council’s and PTA’s to raise awareness of the impact of poverty and the cost of the school day.	ELC Education and NHS Lothian	<p>COVID has restricted opportunity to work with Parent Councils and PTAs</p> <p>Parent Councils briefed and provided with Cost of School Day support materials and a request to include annually on agenda when considering fundraising calendar, collaborate and co-ordinate with school</p>	<p>Further work required post COVID to develop Poverty Champions role in schools and to raise awareness of the impact of poverty and the cost of the school day including:</p> <ul style="list-style-type: none"> • Considering the cost implications of fund raising

				<p>activity and the impact of other hidden costs of the school day</p> <ul style="list-style-type: none"> • Taking an innovative approach to reducing the cost of the school day • Family and community-based learning and the CLD Plan
4.8	<p>Provide additional targeted support for those families at particular risk of hardship and vulnerable and disadvantaged children and young people, including those with care experience, and their families, to engage better with education</p>	<p>Education Children's Services</p>	<p>Posts currently being advertised for 6 teachers and 6 family support workers on a temporary basis.</p> <p>The team will comprise of the above posts and the Virtual Head teacher, Principal teacher GIRFEC, Children's Services Team Leader and the Parenting and Family Support Co-ordinator.</p>	<p>Establish an Inclusion and Wellbeing Support Team using short term COVID recovery funding for the provision of additional targeted support for those families at particular risk of hardship.</p> <p>This will involve interventions which will directly support individuals and families to engage effectively with remote learning, particularly in situations where vulnerability and deprivation are factors. This could include provision for children with additional support for learning such as additional or enhanced tutoring and mentoring programmes.</p>

5. Healthy and Well				
	Objectives and Actions	Lead	Progress to date	New or Further Actions 2021-2023
5.1	Reduce health inequalities	NHS Lothian / Health & Social Care Partnership	<p>The IJB's Strategic Plan includes the golden thread 'equality and diversity, including tackling health inequalities and discrimination', as well as the following priority – 'we want to reduce inequalities, break the cycle and impact of deprivation and support and protect the vulnerable in our communities'.</p> <p>NHS Health Improvement Fund projects within East Lothian to target inequalities. These projects include physical activity for older and young people, improved nutrition in early years and children, Mental wellbeing in children and access to baby equipment and clothes. These projects have been further funded for 1 year until March 2022.</p>	<p>Work is about to commence on the next iteration of the IJB Strategic Plan (the current one runs up to 2022), this will also have a focus on health inequalities and will cross reference the East Lothian Poverty Plan.</p> <p>Tackling Type 2 diabetics – interagency whole systems approach as part of the obesity strategy. Looking at tackling structural influences such as poverty</p>
5.2	Support those with additional health needs or disabilities through person centred approaches and investment in modern technology which enable people to maintain their independence, self-esteem	Health & Social Care Partnership	<p>The person centred approach to delivering health and social care to enable people to maintain their independence, self-esteem and established social networks is a key part of the IJB's Strategic Plan. Specific projects include:</p> <ul style="list-style-type: none"> • Get Connected East Lothian project - Strengthening the universal offer to 	<p>Continue to develop and implement self-directed support where personal budgets can be used to meet outcomes for children and young and their families.</p>

	and established social networks is important.		<p>children and young people with additional support needs</p> <ul style="list-style-type: none"> • Try another way – Doing things differently; joint work with Social Work Scotland and n Control (Scotland) to test out the use of personal budgets in supporting children and families to stay together. • Individual budgets – 22 care leavers accessed a £500 personal budget to support them meet a personal aspiration. • Mental health personal budget – the 15+ team are currently testing a personal budget approach to supporting young people. 15 care leavers can apply for a budget of up to £300. • Telecare (TEC) – work ongoing around embedding TEC in the heart of the assessment and support planning process is fundamental to developing our (H&SC) approach to maintain independence. 	
5.3	Improve access to adult mental health services	ELHSCP	<p>The CWIC (Care When it Counts) Mental Health multi-disciplinary team was established in April 2020 to enable individuals with mild to moderate mental health concerns to quickly access mental health support.</p> <p>CWIC Mental Health staff can signpost patients to sources of support, potentially</p>	The first stage of the review is due for completion summer 2021, with improvement actions implemented thereafter (any relevant actions can then be incorporated in the Poverty Plan).

			<p>including financial inclusion services. They can also refer patients to Community Link Workers who may advise regarding sources of support with money issues.</p> <p>A review of adult mental health services is currently underway with the aim of improving access to mental health services to ensure that people received 'the right care at the right time'. The review is due for completion summer 2021, with improvement actions implemented thereafter.</p> <p>The first stage of the review is due for completion summer 2021, with improvement actions implemented thereafter (any relevant actions can then be incorporated in the Poverty Plan).</p>	<p>CWIC Mental Health team will link into the Primary Care Financial Inclusion Pathway</p>
5.4	Improving children and young people's mental health and wellbeing.	East Lothian Children's Strategic Partnership	<p>One of three priorities in the Children & Young People's Services Plan (2020–23) is "improving children and young people's mental health and wellbeing".</p> <p>A range of actions related to workforce development, intervention and prevention and the development of community based support and services to support children and young people's mental health and wellbeing are included on the Plan</p>	<p>Implement the Children & Young People's Services Plan (2020–23) to improving children and young people's mental health and wellbeing.</p>

5.5	Tackle growing problem of social isolation	Connected Communities, VCEL, 3 rd sector organisations	<p>COVID has exacerbated social isolation for many and highlighted a long-standing issue. Many community groups have developed during the past few years offering befriending and a number of new community food initiatives have been established which address the dual issues of food insecurity and loneliness.</p> <p>Focus on digital inclusion also helps address social isolation by helping people stay connected.</p>	<p>Develop community based initiatives to reduce to social isolation</p> <p>Develop the 'Get Connected' model for children and young people experiencing social isolation.</p>
5.6	Improve the Cancer Journey for people affected by Cancer	NHS Lothian and Macmillan	<p>The Macmillan Improving the Cancer Journey service will be available in East Lothian from August 2021. This Link Worker service provides person-centred support focused on helping people affected by cancer to access information, advice, resources and services in order to manage non-clinical issues that are important in their lives.</p>	<p>Roll out the Macmillan Improving the Cancer Journey service in East Lothian from August 2021</p>

6. Connected				
	Objectives and Actions	Lead	Progress to date	New or Further Actions 2021-2023
6.1	All sectors and communities work in partnership to tackle poverty and the causes of poverty	East Lothian Partnership/ Connected Communities/ VCEL	<p>Area Partnership Locality Plans are being reviewed to take account of COVID impact and review local priorities with Area Plans.</p> <p>A new Community and Development Plan in development 2021 to assess COVID impacts and priority action to tackle issues identified. This will build on positive aspects of community spirit and resilience, volunteer efforts etc.</p>	<p>Review, refresh and implement Area Plans with a focus on reducing inequalities and poverty</p> <p>Implement the new Community and Development Plan</p>
6.2	Address the Digital Divide	Connected Communities ELC Digital Strategy	<p>East Lothian Council is continuing to explore options (providers and cost) for further roll out of free wifi in town centres and public spaces. A joint bid with neighbouring authorities was made for funding from the UK Government's City Fibre Network funding.</p> <p>Scotland's Tech Army is working with the council and local businesses to support e-commerce, initially focussed on Dunbar)</p> <p>People Know How - digital inclusion support funded via One Council partnership fund to complement the Connecting Scotland initiative.</p>	<p>Increase access to wifi in public spaces including maximising the use of existing IT resources across the county.</p> <p>Review the Digital Inclusion Strategy taking account of the Connecting Scotland initiative and the SCVO Digital champions support</p> <p>Explore introduction of non-commercial tariff for digital broadband to be available to all social housing tenants and develop access to WiFi and broadband</p>

			Review of digital capacity within community buildings; some network upgrades required.	
6.3	Develop a more integrated travel solutions that better meet local need, particularly in more rural areas.	Roads Services	<p>The Council adopted the local Transport Strategy on 30th October 2018 – implementation is ongoing.</p> <p>The Council has introduced a trial journey hub at The Brunton to integrate modes, and is working with public transport partners to expand the concept into Wallyford park and ride.</p> <p>City Region Deal work stream: the Council has bid into the Bus Partnership fund to develop appropriate bus journey time enhancement to encourage modal shift, improve bus penetration and increase bus patronage.</p>	The Council working in partnership with Sestran, Fife Council, Liftango, Via, Fuse and Prentice coaches are exploring opportunities for an integrated ticketing transport planning ecosystem, developing the concept of door to door journeys across multi-transport modes.
6.4	Consider the potential of the development of a bus pass scheme allocating free travel passes to individuals who are returning to work or education or those who require it to support them to improve their life chances e.g. to access free childcare provision.	Transport services and East Lothian Works	<p>East Lothian Works is investigating the potential costs involved in supporting this recommendation</p> <p>Scottish Government plan a new national concessionary travel scheme which will provide free bus travel for u19s - currently out for consultation.</p> <p>City Deal Workstream: Workforce Mobility Project which aims to deliver sustainable interventions that reduce barriers in the region.</p>	<p>Implement and support the extension of national travel concessionary</p> <p>Support the Workforce Mobility Project</p>

7. Empowered and Responsible

	Objectives and Actions	Lead	Progress to date	New or Further Actions 2021-2023
7.1	Ensure people with lived experience of poverty and inequality have an input into the development and monitoring of policies and actions aiming to reduce poverty and inequality		<p>Commitment to engage with, listen to and take on board the views and experience of people with 'lived experience – experts by experience'</p> <p>Champions Board</p> <p>The Promise Implementation Officer</p> <p>Partners in redesign panel</p>	Involve experts by experience in the Poverty Working Group – monitoring implementation of the Plan and development of the next Action Plan
7.2	East Lothian Council and the East Lothian Partnership will continue their strong commitment to tackling poverty and inequality as a core ambition. Organisational leaders need to share and speak about their vision for a fairer and more equal East Lothian gaining full organisational buy in to achieving real change.	East Lothian Partnership	<p>The East Lothian Plan 2017-2027 (our Local Outcome Improvement Plan) adopted by the Partnership in September 2017 includes a commitment to reduce inequalities, 'especially in the light of the work of the East Lothian Poverty Commission'. The Plan's three themes – Prosperous, Community-minded and Fair – encompass commitments to reducing inequalities.</p> <p>The Plan also includes a specific poverty related outcome: <i>'We tackle the causes and effects of poverty in East Lothian and we reduce the gap between the richest and poorest people.'</i> One of the actions detailed as contributing to this outcome is implementation of the Poverty Action Plan</p>	East Lothian Council and the East Lothian Partnership will continue their strong commitment to tackling poverty and inequality as a core ambition and provide leadership to ensure the Poverty Plan is implemented

7.3	East Lothian Partnership partners should continue to use the Integrated Impact Assessment processes as a tool to understand the impact of decisions in relation to poverty	ELC – Corporate Policy & Improvement NHS Lothian ELHSCP	Integrated Impact Assessment, which incorporates the duty to assess socio economic impacts, is being used by East Lothian Council and NHS Lothian It now includes Care Experienced Young People; Fairer Scotland Duty and Human Rights considerations	The IIA will be reviewed to ensure it incorporates the Children’s Rights Impact Assessment A training programme will be established to ensure staff are aware of, understand and effectively use the IIA process
7.4	Commitment to Community Empowerment to enable further involvement of local communities including the development of Participatory Budgeting	East Lothian Partnership	East Lothian Council has devolved significant budget spend (£1.85m in 2017/18) to the six Area Partnerships to make spending decisions. Participatory Budgeting pilots were run by Area Partnerships in Musselburgh and Preston Seton Gosford in 2018/19.	The council will consider how it continues to meet the commitment that 1% of revenue budgets will be devoted to PB
7.5	Ensure that the voices of those experiencing disadvantage are included within Area Partnerships so that they are informed by a sound understanding of poverty and inequality	ELC – Communities & Partnerships	East Lothian’s Area Partnerships are well established as vehicles to enable local people to work together to make decisions about funding to address their locally agreed priorities. Area Partnership members have a good understanding of inequalities in their area. Locality Plans are focused on reducing inequalities based on evidence of poverty and inequality from the ward profiles. The Connected Communities service was established in April 2020 to help strengthen links across community organisations, third sector, and council services.	The Council and its partners will continue to work toward building community capacity, leadership and resilience and responsibility to enable and empower local communities to take forward initiatives which mobilise community spirit to tackle poverty and inequality and make a positive difference in people’s lives.

7.6	Develop relevant poverty awareness and sensitivity training for all those working in service design and delivery and those involved in making funding decisions at local community level.	ELC – Corporate Policy & Improvement	East Lothian Council has produced a Poverty Awareness e-learning training module which is available to all Council staff and on the e-learning community platform.	Review and relaunch of the 'Understanding Poverty' E-learning module targeted at all staff and available to community groups
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REPORT TO: East Lothian Council

MEETING DATE: 22 June 2021

BY: Executive Director for Place

SUBJECT: National Planning Framework 4 - Scottish Government Consultation on Minimum All-Tenure Housing Land Requirements

6

1 PURPOSE

- 1.1 This report outlines the main points in the Scottish Government consultation on establishing minimum Housing Land Requirements for inclusion in National Planning Framework 4. It sets out the figures produced by the Scottish Government for East Lothian, in the context of the existing land supply and is accompanied by a recommended response to the Scottish Government.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council:
- (i) Notes the details of the Scottish Government consultation on Housing Land Requirements for inclusion in NPF4;
 - (ii) Notes the results of the consultation carried out through the Housing Market Partnership on the Housing Land Requirement methodology and outputs;
 - (iii) Agrees the response attached at Appendix A as East Lothian Council's response to the Scottish Government; and
 - (iv) Approves the submission of the agreed response to the Scottish Government NPF4 Housing Consultation.

3 BACKGROUND

- 3.1 The Planning Act 2019 enhances the status of the National Planning Framework (NPF) to make it part of the statutory Development Plan.
- 3.2 East Lothian Council responded to the Scottish Government's earlier engagement to inform NPF4, through the Call for Ideas and the indicative Regional Spatial Strategy (iRSS). Produced jointly with the six SE Scotland local authorities, the iRSS document emphasised the need for a restrained approach to additional growth in the west and the east of East Lothian and where growth is required, it is backed up by an 'infrastructure first' approach. The response also promoted the new settlement at Blindwells as a candidate National Development.
- 3.3 The Planning Act also states that the NPF sets minimum all-tenure housing land numbers by local authority area. NPF will not concern itself with the allocation of these homes or their locations, with the exception of giving general locations for national developments. The NPF's remit is solely to establish a minimum housing land requirement, as a framework within which each authority will prepare its own Local Development Plan.
- 3.4 NPF4 is due to be published in draft this autumn and as part of the preparatory work, the Scottish Government is consulting on the proposed draft housing land requirements. East Lothian Council has two options: either accept the number of homes proposed as a minimum for East Lothian or suggest an alternative number, with clearly set out reasons. The Scottish Government is not obliged to make any changes to its proposal.
- 3.5 As part of this consultation on minimum housing land requirements, the Scottish Government has produced a series of technical documents which set out a process through which minimum all-tenure housing land requirements have been derived.
- 3.6 Local authorities have been asked to respond to the technical process and its outputs, stating whether they agree with the assumptions made and with the all tenure housing land requirements. If they think the inputs or the outputs of the process are inaccurate or set at the wrong level then local authorities are asked to respond with alternative proposals based on local circumstance. The Scottish Government has requested that the response from each local authority is signed off by both planning and housing.
- 3.7 The Scottish Government asked that each Local Authority respond by 4 June with their view on the housing figures and that the figures were also consulted on through the relevant Housing Market Partnership for the area. East Lothian Council was granted an extension for replying to accommodate committee timescales.

Current East Lothian Housing Land Context

- 3.8 To meet the requirement in SESplan 1, land for around 12,000 houses had to be identified in East Lothian. Past completions and the delivery phasing for the LDP allocations is shown in Diagram 1. Past completions over the last 10 years equate to an average of 528 houses a year.

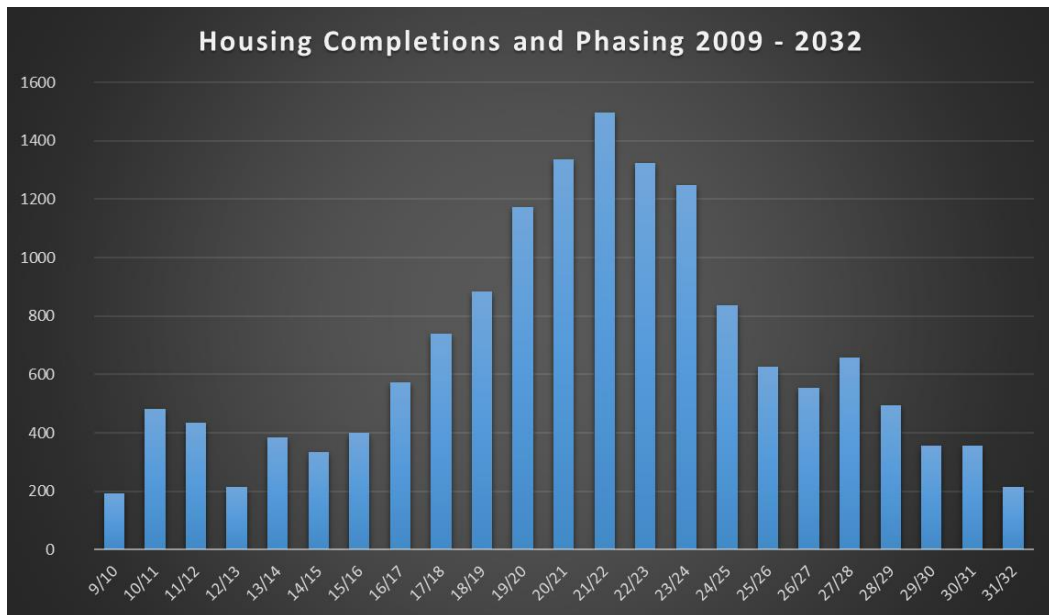


Diagram 1 - Housing Completions and Phasing

3.9 Since the LDP was approved in 2018, around 2,000 of these houses have been delivered. Preparatory work to inform LDP2 has now started. LDP2 will have a 10-year timescale with the expected base date of 2022. It is estimated that by the time that LDP2 officially commences around 4,500 houses will have been completed. This leaves between 7,000 and 8,000 houses still to be delivered during the lifespan of LDP2 between 2022 and 2032. As the majority of the remainder of the identified homes in LDP1 have planning permission, it is appropriate to assume that they will provide a considerable proportion of the necessary housing land supply during the timespan of LDP 2.

Methodology behind the National Planning Framework 4 Housing Land Requirements

3.10 The methodology produced by the Scottish Government is designed to provide a combined housing requirement for both affordable and private housing. It begins by following a similar process to the first two stages of the Housing Needs and Demand Assessment 3 (HNDA3) currently being undertaken by the six South East Scotland Local Authorities. It also includes other elements that relate more to the allocation of land for housing through the planning system, such as additional flexibility in levels of housing land allocated. Through this consultation the Scottish Government has asked for views on each of the steps set out in their methodology.

Process for Developing Housing Land Requirement for East Lothian

3.11 It is important to note that the only decision that requires to be taken at this point is in relation to the proposed minimum housing numbers for draft NPF4.

- 3.12 The figures provided in this Scottish Government consultation are the start of the process for arriving at the housing land requirement that will be in the next Local Development Plan. The current consultation will guide the Scottish Government in their inclusion of Housing Land Requirement figures in draft NPF4. NPF will be subject to public consultation and parliamentary scrutiny, prior to the publication of a final approved version, with the Government’s stated aim being to complete the process by summer of 2022.
- 3.13 Once the final Housing Land Requirement figures are published in the approved NPF4 they will be considered in conjunction with the outputs of the HNDA3 exercise and a view taken by East Lothian Council on the appropriate level for an LDP Housing Land Requirement. This stage in the process will include looking at the capacity of infrastructure of all types across the Council area, to ensure that whatever level of development land requires to be allocated can be accommodated in an acceptable manner. Diagram 2 highlights the timescales for the housing land requirement and delivery related documents being progressed by the Scottish Government and East Lothian Council over the next two years.
- 3.14 The Scottish Government has stated in briefings on this consultation that whilst authorities will need to meet the minimum all-tenure housing land requirement in NPF4, the LDP will continue to set out the final housing land requirement for each authority area.

Diagram 2 – timescales for development of strategic plans

	Spring 21	Summer 21	Autumn 21	Winter 21/22	Spring 22	Summer 22	Autumn 22	Winter 22
NPF4	Engagement on Minimum Housing Land Requirements		Draft NPF	Consultation and parliamentary scrutiny		Final NPF		
LDP2				Use outputs of final NPF and HNDA process to develop LDP Housing Land position				Evidence Report including calculation of housing land requirement and supply
HNDA3		Development of options and consultation		Final HNDA				
Local Housing Strategy						Consultation on new LHS		

Minimum Housing Land Requirements for East Lothian

- 3.15 The Scottish Government’s methodology results in a figure of 6,050 houses being identified for East Lothian over the 10-year period of LDP2. As a minimum the Council would have to identify sufficient land through its LDP to accommodate this figure.

- 3.16 When compared with the figures set out in paragraphs 3.8 and 3.9 this figure of 6,050 is less than the land for 7,000-8,000 houses that has already been allocated through LDP1 and is still to be delivered.
- 3.17 Therefore to meet this minimum level of housing land requirement the Council can demonstrate at a basic level that it would not require any additional allocations beyond the 7,000-8,000 expected to be delivered through existing allocations. As this is the first stage in the housing land requirement process, it is important to highlight that the final figures will be determined subsequently, through the preparation of LDP2. It is equally important that the Council maintains an adequate supply of housing land on a planned basis going forward. As LDP2 will be the first plan with a 10-year time horizon, it may have to identify additional land for the later stages of the plan period. This, however, remains within the Council's control and will be considered in detail as LDP2 progresses.

Consultation

- 3.18 As requested by the Scottish Government, consultation on these draft housing land requirements was undertaken in May, through the South East Scotland Housing Market Partnership (HMP). This HMP is a partnership of multi-disciplinary teams including housing, planning, economic development as well as those from other relevant organisations such as house builders and Registered Social Landlords who have relevant knowledge and experience and have expressed an interest in being involved in shaping discussions on housing need and demand and is also involved in shaping the HNDA3. The main response to this consultation came through Homes for Scotland who represent many of the house builders active in the region.

Consultation - Questions, Responses and Recommended Council Response

- 3.19 In its consultation, the Scottish Government sets out a series of questions on its housing land requirement methodology and outputs to which it seeks a local authority response. The Scottish Government wants to know, taking into account responses received during consultation, whether local authorities would recommend a variation from the information in the consultation. Any deviation from the information provided by the Scottish Government must be backed up with a detailed justification. Details of the recommended response to each the questions is provided as Appendix A.

Household Projections and Existing Need

- 3.20 The first part of the Scottish Government methodology uses national household projections and estimates of existing housing need. This is a similar approach to that used in the HNDA process. It is recommended that the Council responds by accepting these first two stages of the process as being the most appropriate for use in the NPF4 context.
- 3.21 The figures provide a consistent national view on household formation and the identification of existing need is a standard part of any calculation in

determining housing land requirements. While the Council accepts the principle of these parts of the methodology, it does have alternative views on the levels of existing need.

- 3.22 As part of the HNDA3 process the Council has looked into the issue of existing need in more detail and refined some of the inputs. This has resulted in a slightly higher figure than that proposed by the Scottish Government. East Lothian calculates an increase from 478 to 765 households, which more accurately represents the levels of existing local need in the Council area. When put into the Scottish Government methodology this will result in a slight increase in the minimum housing land requirement by 350 units to 6,400.
- 3.23 Homes for Scotland (HfS) and other house builders responded to the consultation with an alternative methodology that does not use household projections. It uses the 2019 completion levels and extrapolates them out over the next 10 years by authority. This simply replicates current national development patterns and promotes more development in areas where there are already high levels of development, such as East Lothian. The result is that HfS proposes a minimum requirement figure of around 12,000 houses for East Lothian over a 10-year period.
- 3.24 It is recommended that the Council strongly opposes this alternative methodology as it goes against the broad principles of the planning process and simply bases the national strategy for the next 10 years on a single year of completions.
- 3.25 HfS also recommended changes to the assumptions made during the calculation of existing need. These have mainly been addressed through the Council's recommended reworking of the calculations set out above.

Flexibility Allowance

- 3.26 The Scottish Government recommends that a flexibility allowance of 25% be added to the housing land requirement for authorities in more urban locations, including East Lothian. This is to reflect the fact that not all sites will progress at the same time and a buffer is required to allow the identified housing levels to be met. It is recommended that the proposed flexibility level is supported. It is also recommended that the Council's response requests that this flexibility allowance should not be required to be added again at the LDP level.

Minimum Housing Land Requirements and Infrastructure First

- 3.27 The Scottish Government methodology results in a minimum housing land requirement for 6,050 houses. As a result of the recommended changes to the existing need figures (as set out in paragraph 3.22 above), this minimum figure rises to 6,450 houses.
- 3.28 This increase still keeps the minimum within the capacity of the housing land already allocated through LDP1 and also reflects more accurately the true needs of the population. It is therefore recommended that this alternative figure is included in the response to the Scottish Government.

- 3.29 It is also recommended that the Council highlights to the Scottish Government the need for an ‘infrastructure first’ approach to future development, as already promoted by the six South East Scotland Local Authorities through its iRSS and also indicates that S75 is not capable of funding all the necessary infrastructure to support new development so an alternative method needs to be found.

Next Steps

- 3.30 If approved as recommended, the response attached as Appendix A will be sent to the Scottish Government. The Scottish Government will produce a draft NPF4 in autumn 2021. A recommended response to the draft NPF4 consultation will be brought back to Council later this year.
- 3.31 The Final NPF4 will be published in summer 2022 and its housing figures will be used by East Lothian Council, along with the outputs of the HNDA3 process and local information on infrastructure and environmental capacity, to determine the housing land position that will be set out in the LDP Evidence Report.

Conclusions

- 3.32 The recommended minimum housing land requirement prepared by Scottish Government to inform NPF4 represents a figure that is broadly equivalent to that which had been proposed through SDP2 and which was promoted through the iRSS as East Lothian’s preferred housing land requirement. It is also close to the average level of East Lothian housing completions over the preceding 11 years. Affordable housing will be part of this overall total, with requirement levels and distribution across East Lothian a matter for East Lothian’s Local Housing Strategy and LDP2.
- 3.33 It is recommended that the Council responds supporting the overall Scottish Government methodology, but with the recommended change to the levels of existing need and consequent slight change to the minimum housing land requirement.
- 3.34 It is also recommended that the response caveats the Council’s position with a recommendation that an ‘infrastructure first’ approach to future levels of housing growth is pursued by the Scottish Government through NPF4.
- 3.35 In addition the alternative approaches promoted by HfS should be refuted as being unsubstantiated and in conflict with the national repopulation and regeneration aims of the Scottish Government.

4 POLICY IMPLICATIONS

- 4.1 NPF4 will form part of the Development Plan and applications will, in most instances, have to be determined in accordance with its policies. Its content will be developed into an East Lothian context through LDP 2.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not directly affect the wellbeing of the community or have a significant impact on equality, the environment or economy. Impact Assessments will be carried out by the Scottish Government as part of the NPF4 process.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – No direct financial implications arising from this report beyond staff time.
- 6.2 Personnel - the Council's Planning Service already undertakes strategic planning work and will continue to contribute towards the work of inputting into NPF 4.
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Appendix A – Response to Scottish Government Consultation on Minimum Housing Land Requirements.

AUTHOR'S NAME	Keith Dingwall/Robin Edgar
DESIGNATION	Service Manager, Planning/Team Manager, Policy and Projects
CONTACT INFO	kdingwall@eastlothian.gov.uk
DATE	20 th May 2021

Appendix A – Response to Scottish Government Consultation on Minimum All Tenure Housing Land Requirements

TEMPLATE PART 1 – Household Projections (Newly-Forming Households)

Instructions

The Scottish Government's initial default estimates use the NRS 2018-based principal household projections (equivalent to step 1 of the HNDA Tool). Alternative household projections are available including the NRS low migration variant and high migration variant. Some authorities also produce household projections in-house and authorities can consider the use of these where they can make a robust case for this.

Use the space below to provide evidence for the use of an alternative household projection. This must explain how the housing completions data provided by the Scottish Government has been considered. It must also include the actual household projections that you wish to use. Where necessary, tables of figures can be provided in an Annex.

East Lothian Comments

East Lothian Council agrees with the use of the NRS 2018-based principal household projections as a method to provide a consistent base across the country. This consistency will be vital for the Scottish Government in addressing its spatial growth priorities such as regeneration and repopulation.

The Council also supports the use of the mid-range migration variant. Given the 10 year timeframe for LDPs it would seem prudent to continue to use the mid-migration variant as over such a long period. There is no information that would point to a consistent trend that requires the use of the low or high variants. The probability is that over this period, migration will rise and fall and the use of a mid-range will reflect this, in a similar manner to the use of annual averages for housing land requirements.

TEMPLATE PART 2 – Existing Housing Need

Instructions

The Scottish Government's initial default estimates include an estimate of existing housing need (equivalent to step 2 of the HNDA Tool). This includes homeless households in temporary accommodation and households who are *both* overcrowded *and* concealed.

Use the space below to provide robust evidence for the use an alternative existing housing need figure. This must explain how the housing completions data provided by the Scottish Government have been considered. This must also include the existing housing need figure that you wish to use. Where necessary tables of figures can be provided in an Annex.

East Lothian Comments

The default set out in the consultation documents only takes into account households in temporary accommodation on 31st March 2020. This does not include households who are recorded via HL1 as homeless but chose not go into temporary accommodation. It also does not include the current existing need of households who are not captured via the homelessness system. Examples of these households include those who are living in housing that does not meet their current needs, or who are living in institutional settings due to appropriate housing provision either not existing or not existing in sufficient supply. As a result of these gaps, the following methodology is recommended.

Homeless

At 31st March 2021, 667 individuals had live homeless applications, this includes those in temporary accommodation and those who are otherwise homeless. Between 2015/16 and 2018/19 an average of around 5% of households whose cases were closed, were discharged to the private rented sector. This allows an assumed adjustment of a 5% reduction in numbers, as 5% of the need can be met within the existing housing stock. This takes the existing need for homeless households to 634 at 31st March 2021.

Overcrowded and Concealed

The Council agrees to use the Scottish Government default for Overcrowded and Concealed.

Support Needs / Special Forms of Housing

The Council recommends that the following household types are be counted, unless by moving they free up social rented provision (either Council or Housing Association);

1. Households whose housing needs cannot currently be met within existing provision i.e. where the housing type required does not exist in the local area, such as 'core and cluster'.

2. Households that require adaptations which cannot be met within their current housing and need to be moved.

Using the above criteria, the total for East Lothian is 74 households. These are from;

1. Housing Episode Forms – H&SCP complete where housing does not exist and the individual has complex needs i.e. learning disability, mental health, and physical disability. Within these, households who currently live in a Council tenancy where the entire household would be moving to a new Council tenancy have been discounted. These figures have been cross-referenced with the re-housing panel list to ensure that there is no double counting. The total number is 63.
2. Re-housing panel points – Households have been discounted who have an application that is; deferred, an offer is pending or recently been accepted, as well as all those who are transfer tenants (as they will be freeing an affordable home by moving), and all those who are also currently homeless (these will be captured in the Homeless figure). The total number is 11.

East Lothian Summary

Homeless Live Cases, with a reduction of 5% – 634

Overcrowded and concealed – 57

Support Needs / Special Forms of Housing – 74

Total = 765 (The default tool in the Scottish Government figure suggests 478).

East Lothian Council recommends that the levels of existing need in the Housing Land Requirement calculation be amended to reflect the 765 households identified in the above calculation, as this more accurately reflects the need in East Lothian. This figure has been fed into the attached Excel calculator.

TEMPLATE PART 3 – Flexibility Allowance

Instructions

The Scottish Government's initial default estimates include the addition of a 25 per cent flexibility allowance for urban areas and 30 per cent for rural areas. This is to provide a contingency or over programming of land to allow for changes in sites coming forward over the 10 year time frame of the local development plan.

Use the space below to provide evidence for the use of an alternative flexibility allowance, which should generally be no less than those provided. This must explain how the housing completions data provided by the Scottish Government has been considered. It must also include the percentage flexibility allowance that you wish to use.

East Lothian Council Response

The Council agrees with the categorisation of East Lothian as urban and to the subsequent use of a 25% flexibility allowance in the calculation of the Council's Minimum Housing Land Requirement.

Although higher than the 10 – 20% figure set out in the current Scottish Planning Policy, the increase to 25% seems appropriate given the longer timeframe of LDPs.

The Council sees a risk of double counting of the flexibility allowance and requests that the development plan regulations acknowledge this risk and thus do not require that additional flexibility be added at the LDP stage. This would result in an unnecessarily large degree of flexibility and make the implementation of an infrastructure-led approach significantly harder.

TEMPLATE PART 4 – Locally Adjusted Estimate of Minimum All Tenure Housing Land Requirement

Instructions

The Excel Calculator must be used to produce a locally adjusted estimate of the minimum all-tenure housing land requirement. The initial default and adjusted estimates must be provided below.

East Lothian Council Response

Initial Default Estimate = 6,050

Adjusted Estimate = 6,400

The Council substantially agrees with the methodology and subsequent outputs of the Minimum Housing Land Requirement calculation. The exception are the revisions to the existing need figures set out under question 2. When these revised figures are put in the Excel Calculator, this results in an increase in the Minimum Housing Land Requirement by 350 to 6,400.

This revised figure is higher than the annual average number of homes completed within East Lothian over the last 10 years. Thus the proposed minimum number will result in housing growth across East Lothian. The delivery of the proposed level of growth will put pressure on the infrastructure and environmental capacity of the area and it is essential that NPF4 puts policy in place that ensures this development will progress in a sustainable manner.

It is vital that any housing land requirement figures are accompanied with a strong 'infrastructure first' policy which is backed up through a wider consideration of how infrastructure is funded, so that the infrastructure needs of new communities are addressed before housing development is implemented. The wider infrastructure needs of new development cannot be met entirely through the S75 process and an alternative funding method must be brought forward. Adopting an 'infrastructure first' approach is one of the key methods through which the place making agenda, which will feature so prominently in NPF4, can be delivered.

A copy of the adjusted Excel Calculator showing the revised figures is attached.

TEMPLATE PART 5 – Housing Market Partnership (HMP) and Stakeholder Involvement

Instructions

Use the space provided below to list the HMP membership, provide a summary of their views and an indication of whether the HMP has agreed the locally adjusted estimate of the minimum all-tenure housing land requirement. Also, provide a list of additional stakeholders and a summary of their views. Use the sub-headings provided.

East Lothian Response

The Council undertook a short consultation through the Housing Market Partnership (HMP). This was undertaken through the context of SESplan and related to all the South East Scotland local authorities.

There were a limited number of responses to the consultation but one of the responses, from Homes for Scotland (HfS), covered a multitude of interested parties. This also reflected that the HNDA is currently being progressed and consulted on across South East Scotland and many of the affordable housing providers and those involved in the social housing sector are engaging through that process.

List of HMP members

The consultation was sent out to over 50 organisations including Homes for Scotland, housebuilders, planning consultants, community groups and local authority representatives.

Summary of HMP views

The Community groups responded making no specific comment on the methodology or the outputs but highlighting the large amount of recent and planned levels of house building across the region. They highlighted the strain that these levels of growth were putting on the infrastructure of the region and the need to address fully these, often-longstanding, issues when developing future planning policy.

Campion Homes responded stating that the minimum housing land requirements were too low, did not represent the needs of the area, were unambitious and needed to be altered to a higher figure. HfS did not agree with the methodology or the outputs in the Scottish Government consultation. HfS recommends an alternative approach which is not based on the household projections but which extrapolates the 2019 completion figures across the following ten years to give an alternative housing land requirement. This alternative requirement also uses an aspirational national housebuilding figure of 25,000 houses per year derived by HfS.

East Lothian Council does not agree with this alternative approach, as it is concerned about the basis of the numbers and the methodology. There is no justification for choosing one particular year as the base year for the delivery of

housing for the next decade, beyond choosing the year that offers the highest post-recession completion figures.

HfS use the proportions of the overall national housing delivery completed in each local authority area in 2019 to determine the levels going into the future. This means that the authorities that have experienced high levels of housing development in 2019 will continue to do so for the next 10 years. This approach does not allow for the development of a wider national planning strategy as it serves to reinforce existing patterns of development, encourages future growth in the areas that for example are either the most marketable, or where there has been a high level of housing growth following the adoption of a new plan.

As the figure is not linked to any household projections or any other indications of future housing related trends, there is no relationship between these figures and a demonstrated need for housing. HfS highlights shortcomings in using household projections as predictors of what is likely to (or desired to) happen in practice. ELC's view is that the alternative approach suggested does not properly address the issues they highlight.

In the case of East Lothian, the figures represent a doubling of average housing completions over the last 10 years and could not be accommodated within the environmental or infrastructure capacity of the Council area. It is also doubtful that the development industry could practically deliver this level of housing either within the Council area or across Scotland.

As a minimum or even a maximum figure the 12,000 houses presented by HfS for East Lothian is undeliverable and both these outputs and their methodology should be dismissed.

The Council does agree with HfS that more local assessment of existing housing need should be undertaken to feed into the methodology and this exercise has been reflected in the calculations above and through the ongoing work of the HNDA.

The Council does concur with the responses from the community groups which highlight the need for any housing growth over the next ten years to be accompanied by an 'infrastructure first' approach to ensure that high quality environments can be delivered that encompass the objectives of the place making and climate change agendas.

HMP agreement

Has the HMP agreed your minimum housing land figure? *Please delete accordingly*

N/A

Due to the timescales involved we consulted the HMP on the basis of the Scottish Government's draft minimum figures. The revised existing needs figures have subsequently been arrived at through the continued development of the HNDA process. Local groups are fully engaged in the HNDA process.

List of Additional Stakeholders

N/A

Summary of Stakeholders Views

N/A

TEMPLATE PART 6 – Joint Housing and Planning Senior Official Sign-Off

Instructions

This template should be agreed and signed-off, jointly, by the Head of Housing and the Head of Planning or the equivalent senior official from each department. Typed signatures can be provided.

Take no more than 1 page.

(see page 6 of the Guidance Note)

Head of Housing

Full Name:

Full Title:

Email:

Date:

Signature:

Head of Planning

Full Name:

Full Title:

Email:

Date:

Signature:

REPORT TO: East Lothian Council

MEETING DATE: 22 June 2021

BY: Executive Director for Place

SUBJECT: The East Lothian Council (Scottish Open, The Renaissance Club) (Exemption) Order 2021

7

1 PURPOSE

- 1.1 For Council to approve the making of an Order under Section 11 of the Land Reform (Scotland) Act 2003, to facilitate the holding of the Aberdeen Standard Investments Scottish Open 2021 Golf Championship, to be held at The Renaissance Club, Dirleton, East Lothian.

2 RECOMMENDATIONS

- 2.1 That Councillors approve the making of The East Lothian Council (Scottish Open, The Renaissance Club) (Exemption) Order 2021.

3 BACKGROUND

- 3.1 The Aberdeen Standard Investments Scottish Open 2021 Golf Championship is being held at The Renaissance Club, Dirleton, East Lothian in July 2021.
- 3.2 The Championship organisers European Tour and International Management Group have applied to East Lothian Council for an Order under Section 11 of the Land Reform (Scotland) Act 2003 to exempt areas of The Renaissance Club from the access rights which would otherwise be exercisable there.
- 3.3 **The East Lothian Council (Scottish Open, The Renaissance Club) (Exemption) Order 2021:** The purpose of this Order is to enable the Scottish Open 2021 Golf Championship to be held, with the land being exempted temporarily from access rights (1) to secure the health and safety of the public and construction workers, as well as the security of materials and supplies, during the installation and dismantling of

temporary structures and services on the Course, before and after the Championship; and (2) to secure the safety and security of players and the safety of the public during the Championship; and (3) to permit an entrance fee to be levied on spectators for admission to the Scottish Open Golf Championship.

- 3.4 It is proposed that this Order will take effect at 00.00 hours on Sunday 4 July 2021 and will expire at 23.59 hours on Sunday 11 July 2021.
- 3.5 For an Order with a duration of less than six days, the local authority must give public notice of the order. If, however, an Order is in effect for a period of six or more days, then the local authority must consult the land owners, the Local Access Forum and any other persons they think appropriate inviting objections. An Order for more than six days would also require confirmation by Scottish Ministers and any representations received must be included with the draft Order sent to them.
- 3.6 Consultation on this proposed Order has taken place with East Lothian Local Access Forum, Gullane Area Community Council, NatureScot, North Berwick Coastal Area Partnership, Dirleton Village Association, The Honourable Company of Edinburgh Golfers, Archerfield Estates and Archerfield Advisory Group. A public consultation was also held between 14 and 24 May. One concern was raised by a landowner about the length of the Order (she thought it was for 10 days, but it is 8 days as it was last year); she later responded questioning whether access to the beach should be denied to the public during the event.
- 3.7 The draft Order, map and information about the consultation was sent to Scottish Ministers for confirmation on 25 May. The guidance recommends a turnaround period of at least six weeks for Scottish Ministers to confirm an Order.

4 POLICY IMPLICATIONS

- 4.1 These Orders are consistent with the provisions of the Land Reform (Scotland) Act 2003, and with policy and good practice set out in the Scottish Government Guidance for Local Authorities and National Park Authorities on Part 1 Land Reform (Scotland) Act 2003.

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: Proposed Order to exempt land from access rights for the 2021 Scottish Open: “The East Lothian Council (Scottish Open, The Renaissance Club) (Exemption) Order 2021”.

7.2 Appendix 2: Map showing the area the proposed Order to exempt land from access rights for the 2021 Scottish Open would cover.

7.3 Appendix 3: Response to the consultation from a landowner

AUTHOR’S NAME	Nick Morgan
DESIGNATION	Outdoor Access Officer
CONTACT INFO	nmorgan@eastlothian.gov.uk ; 01620 827671
DATE	25/05/2021

Appendix 1: Proposed Order to exempt land from access rights for the 2021 Scottish Open

EAST LoTHIAN COUNCIL

LAND REFORM (SCOTLAND) ACT 2003

**THE EAST LoTHIAN COUNCIL (SCOTTISH OPEN, THE RENAISSANCE CLUB)
(EXEMPTION) ORDER 2021**

EAST LoTHIAN COUNCIL, in exercise of the powers conferred on them by Section 11(1) of the Land Reform (Scotland) Act 2003 ("the Act") and all other powers enabling them in that behalf, HEREBY MAKE the following Order:-

1. The Order may be cited as "The East Lothian Council (Scottish Open, The Renaissance Club) (Exemption) Order 2021" and shall come into effect at 00.00 hours on 4 July 2021 and will expire at 23.59 hours on 11 July 2021, unless revoked earlier.
2. The effect of the Order is to exempt the area of land at The Renaissance Club, Dirleton, which area is shown hatched red on the plan thereof annexed and executed as relative hereto, from the access rights which would otherwise be exercisable in respect of that land by virtue of Part 1 of the Act.
3. The purposes for which the Order are made are:
 - (a) to secure the health and safety of the public and construction workers, as well as the security of materials and supplies, during the installation and dismantling of temporary structures and services on the Course, before and after the Championship; and
 - (b) to secure the safety and security of players and the safety of the public during the Championship; and
 - (c) to permit an entrance fee to be levied on spectators for admission to the Scottish Open Golf Championship.

The foregoing Order typewritten on this page is, together with the plan annexed hereto, sealed with the Common Seal of East Lothian Council and subscribed for and on their behalf by _____, an authorised signatory and as such a "Proper Officer" for the purposes of Section 194 of the Local Government (Scotland)

Act 1973 as amended, at HADDINGTON on the
THOUSAND and TWENTY ONE.

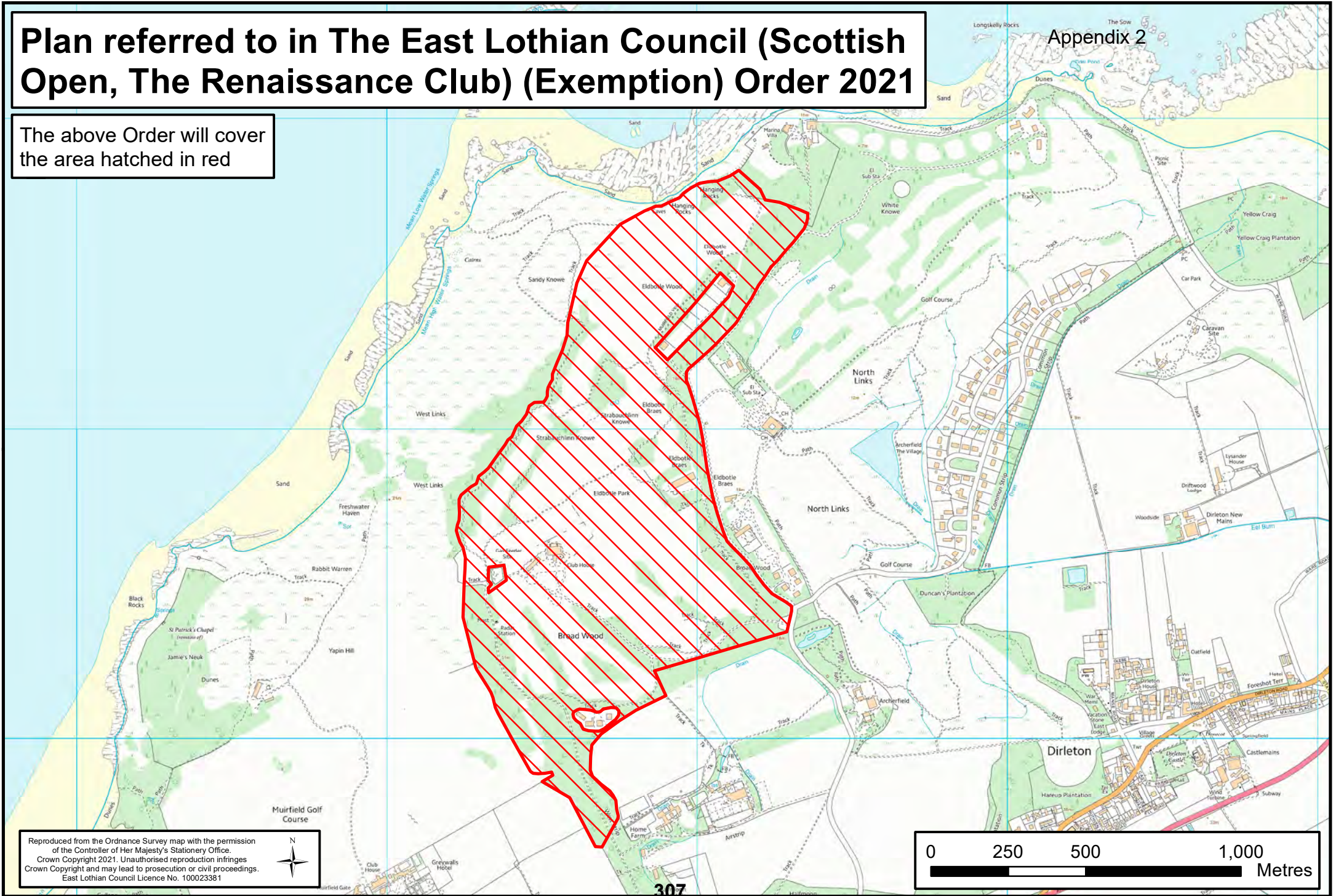
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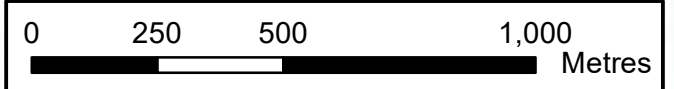
Plan referred to in The East Lothian Council (Scottish Open, The Renaissance Club) (Exemption) Order 2021

Appendix 2

The above Order will cover the area hatched in red



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Appendix 3: Correspondence from consultation

Received: 27 May 2021 14:44

Hello nick

I don't wish to make a formal objection as you will appreciate it's a bit of an odd one. I would ask however that the time the area is shut (particularly the track to the west – which is as you mention below) is reduced. You are right that there is a track to the other side but that is also in the 'out of bounds' area even if it isn't completed. I understand entirely having it shut on play days as the spectators go down to the tollbooth area that way but outwith that seems excessive.

I have no idea how many people access the beach along that route but it is far greater than before. Sorry I can't be more specific.

Cheers

XXXX

From: Morgan, Nick <nmorgan@eastlothian.gov.uk>

Sent: 27 May 2021 10:12

To: XXXXXXXX>

Subject: RE: The Scottish Open - Renaissance

XXXX,

I passed on your comments about the exemption order at Renaissance with the information that was sent to the Scottish Government. They have come back with a series of questions and are considering if the order should be modified. They have asked me to confirm the following with you:

- Do you wish to make a formal objection to the Order.
- Please can you confirm the route to the beach that you are concerned about. It may be possible to ask for the area the Order covers to be modified, or it may be possible to ask that the route could be stewarded, allowing people to be accompanied along the route.
- They have also asked me if I know how many people access the beach along that route.

I am assuming it is the maintenance track to the west of the course that you are concerned about, but I am aware that the club were in the process of providing a path on the other side of the course accessing the coast somewhere near Marine Villa. I don't think they have completed this route yet, though.

I would appreciate it if you can let me have the above information.

With kind regards.

Nick

Received: 24 May 2021 14:44

The path to the beach is a main point of access for so many now. I understand there are reasons for this but perhaps that track could be excluded.

From a personal point of view it excludes access from land we actually own for an event that I don't feel particularly benefits the local area all that much.

Cheers

XXXX

From: Morgan, Nick <nmorgan@eastlothian.gov.uk>
Sent: 24 May 2021 09:59
To: XXXXXXXXXX
Subject: RE: The Scottish Open - Renaissance

Hi XXX,
I wonder if you are wanting to add anything to your previous comment or make a more formal objection to the Section 11 Order for the Scottish Open. We have to receive any comments or objections by midnight tonight. I will then be forwarding any comments or objections to Scottish Ministers tomorrow.
With kind regards.
Nick Morgan

Received: 20 May 2021 12:16

Hello Nick
How best to feed back comments?
I think that 10 days is extremely restrictive for those that live here and feels a bit unnecessary? I for one use those tracks to walk all the time and I know many others do. We also have restrictions still in place for some things and it is the summer holidays?
Why is it necessary to be this long?
Man thanks
XXXXX

From: Morgan, Nick <nmorgan@eastlothian.gov.uk>
Sent: 14 May 2021 10:43
To: Morgan, Nick <nmorgan@eastlothian.gov.uk>
Cc: XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Subject: The Scottish Open - Renaissance

Dear Sir/Madam,
The Scottish Open Golf Championship will be returning to The Renaissance Club this July. I have been asked to process a Section 11 Exclusion Order to suspend public access on the course during the event, practice and pro-am. The dates that the Order will cover are Sunday 4th July until Sunday 11th July. The area of the exclusion is the same as the previous two years. As the proposed exclusion will be longer than six days we have to hold a public consultation. A notice is in the East Lothian Courier and the consultation is on the Council's Consultation Hub. I am also contacting local community groups, landowners and other interested parties. The consultation runs until 24th May. I have attached a letter about the consultation along with the proposed Order and a map showing the area that it will cover.
The Order will also have to be confirmed by Scottish Ministers.
If you have any concerns about this please feel free to contact me.
With kind regards.
Nick

Nick Morgan
Access Officer
East Lothian Council
John Muir House
Haddington

EH41 3HA
Tel: 01620 827671

REPORT TO: East Lothian Council
MEETING DATE: 22 June 2021
BY: Executive Director for Place
SUBJECT: Community Council Elections 2021

8

1 PURPOSE

- 1.1 The purpose of this report is to provide an update on revisions to the Scheme for Community Councils (August 2012), referred to as 'The Green Book', and proposed Community Council elections to be held in October 2021.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council:
- i notes the update on Community Councils;
 - ii notes that Council officers from Connected Communities and People and Governance Services will proceed to prepare for Community Council elections to be held on Thursday 7 October 2021;
 - iii approves the proposed amendments to the current 'Scheme of Community Councils', as shown in Appendix 3i (Track Change Version) and 3ii (Clean Version), which have been agreed following consultation with the Association of East Lothian Community Councils (AoELCCs) and the Council's Legal Service; this will supersede and replace the August 2012 East Lothian Scheme for Community Councils and be effective from 22 June 2021; and,
 - iv Notes the Scottish Government's intention to provide revised Guidance for the operation of Community Councils, following receipt of which it is proposed that a local review of Community Council boundaries is undertaken to take account of the population growth and housing development across East Lothian.

3 BACKGROUND

- 3.1 Community Councils are provided for in statute by the Local Government (Scotland) Act 1973 and the Local Government (Scotland) Act 1994. They are local representative bodies which are recognised as statutory planning and licensing consultees. Elections are usually held every four years and in East Lothian were due to take place in autumn 2020; however, these were deferred by the Chief Executive due to the COVID-19 pandemic. It is proposed that East Lothian's Community Council elections will be held on Thursday 7 October 2021. It is intended that this will be held as a postal vote, as per the Scheme for Community Councils Section 6 - Elections.
- 3.2 Under the terms of Section 51(2) of the Local Government (Scotland) Act 1973, the purpose of a Community Council, in addition to any other purpose which it may pursue, shall be "to ascertain, co-ordinate and express to the local authorities for its area, and to public authorities, the views of the community which it represents, in relation to matters for which those authorities are responsible, and to take such action in the interests of that community as appears to it to be expedient and practicable". S.52 (c) of the 1973 Act requires the Council's Scheme for Community Councils (referred to as the 'Green Book') to state the provisions that govern elections and voting arrangements.
- 3.3 There are currently 20 Community Councils in East Lothian, comprising 36 Community Wards and 217 Community Councillors, which meet monthly (see details in Appendix 1 - Scheme of Community Councils – August 2012). General information about Community Councils in East Lothian can be found here:
- https://www.eastlothian.gov.uk/info/210567/your_community/12158/community_councils
- 3.4 Each Community Council receives annual grant funding from East Lothian Council comprising a contribution towards their administration and insurance costs and a local priorities grant, which is calculated on a per capita formula. Details of the funding recently awarded to community councils in 2021/22 can be found at Appendix 2. This budget sits within the Connected Communities budget and is fully allocated at the start of each financial year after the Council sets its annual budget.

East Lothian Council Responsibilities

- 3.5 Since the retirement of the former Democratic Services Officer in 2019, ongoing operational support and annual funding for Community Councils is provided by the Connected Communities Service within the Communities Division of the Place Directorate. Each Community Council is supported by their local Connected Communities Manager as a first point of contact on any local issues or requests for advice on Community Council operational matters.
- 3.6 The Council's Licensing and Democratic Services Team within People and Governance Service within the Corporate Support Division manages and

administers the elections process for Community Councils, including nominations.

- 3.7 The Chief Executive is responsible for deciding when to hold the Community Council elections.

Proposed Community Council Election Timescales

- 3.8 The following timetable sets out the key steps which will be taken preceding the proposed elections in October 2021:

Publication of notification of elections	Monday 30 August 2021
Issue of Nomination Papers	Monday 30 August 2021
Last day for lodging nominations	Thursday 16 September 4pm
Last day for withdrawal of nomination papers	Thursday 16 September 4pm
Publication of notice of poll and statement of nominees	Tuesday 21 September
Close of poll	Thursday 7 October 12 noon
Count	ASAP after close of poll
Confirmation of Election Outcomes	ASAP after close of poll

- 3.9 This timescale allows time over the summer months for awareness raising about the role of Community Councils and of Community Councillors and advance promotion of the elections during the lead up to the formal announcement of the elections at the end of August. This work will be undertaken by Council officers in the Connected Communities Service, in collaboration with the Association of East Lothian Community Councils (AoELCCs) and the Council's Communications team.

Review of the Scheme for the Establishment of Community Councils ('The Green Book')

- 3.10 The East Lothian Scheme for Community Councils (known as the 'Green Book') sets out the guidelines for operating Community Councils. This was last updated in 2012 (see Appendix 1) and a number of aspects require to be updated including reflecting the shift to digital operating formats, meetings online, communication methods, etc.
- 3.11 A review of this document has been undertaken in recent months to ensure it meets current requirements. This review has been undertaken in consultation with the Association of East Lothian Community Councils and a number of minor amendments are proposed. Appendix 3i shows the amendments proposed, with Appendix 3ii presenting a 'clean' version

incorporating those amendments. Through this consultation process it has been agreed that it would also be helpful to provide a handbook with further supplementary guidance for Community Councils on matters such as a code of conduct for community councillors, procedure for casual vacancies and managing complaints: it is intended that this will be produced prior to the proposed Elections.

- 3.12 Scottish Government has advised it intends providing revised guidance for the operation of Community Councils; however, it has not indicated when this will be available. A further review of the East Lothian Scheme for Community Councils will be taken when this new national guidance is issued, to ensure compliance; it is also proposed that a review of Community Council ward boundaries will also be undertaken at that time, to reflect the population growth and house building taking place across East Lothian.

Communications Strategy

- 3.13 If the Council approves of these recommendations including the proposed revisions to the 'Green Book', Council officers will work with the Communications team to promote the work of Community Councils in advance of the formal notification of the elections, as outlined at 3.8 above, at the end of August. A communications plan will be developed in conjunction with the AoELCCs, advised by the Council's Communications team to ensure optimum publicity in advance of the elections, both to encourage potential nominees and to stimulate voter engagement with the election process.
- 3.14 The Connected Communities Managers have well-developed links with the local community councils in their areas (see attached chart Appendix 4) and will provide support and advice to existing community councillors and potential new members.

4 POLICY IMPLICATIONS

- 4.1 Approval of the report recommendations will update existing policy in respect of a revised Scheme for Community Councils. Community Councils provide a democratically elected, representative voice for their local communities, they sit on the Area Partnerships and are statutory planning and Licensing consultees. They play an important role in supporting the Council's community empowerment and place-making objectives.

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 Communities budget will meet the costs of the election.
- 6.2 Personnel – there are key roles for the Council’s Connected Communities, People and Governance Services and the Communications teams contributing to meeting the requirements of this Community Council elections process.
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Appendix 1: Scheme of Establishment of Community Councils, including Wards, August 2012 ('Green Book')
- 7.2 Appendix 2: Community Council Grants 2021/22
- 7.3 Appendix 3i: Proposed amendments to the Scheme of Establishment of Community Councils, June 2021 (Track Change Version)
- 7.4 Appendix 3ii: Proposed amendments to the Scheme of Establishment of Community Councils, June 2021 (Clean Version)
- 7.5 Appendix 4: Connected Communities Managers and Community Councils

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DATE	02/06/21



SCHEME FOR COMMUNITY COUNCILS

**(As approved by the Secretary of State for Scotland on 26 April 1976
and subsequently amended 2004, 2008 and 2012, after due public consultation)**

**August 2012
Edition**

INTRODUCTION

- 1** In accordance with Section 22 of the Local Government (Scotland) Act 1994, East Lothian Council has amended the 2004 Scheme for the establishment of Community Councils within East Lothian Council area.

PURPOSE

- 2** In addition to any other purpose which a Community Council may pursue, the general purpose of a Community Council shall be to ascertain, co-ordinate and express to the local authority for its area, and to other public authorities, the views of the community which it represents, in relation to matters for which those authorities are responsible and to take such action in the interests of that community as appears to it to be expedient and practicable.

The purpose of Community Councils is also to represent a full cross-section of the community and it is important that they should not appear to favour any particular sections of the community. By implication, this also means that they should not be party-political or sectarian. Community Councils should eliminate racial discrimination and promote equality of opportunity and good relations between persons of different racial groups.

CONDUCT OF BUSINESS

- 3** The Chairman and other office bearers of a Community Council shall be elected annually and this shall be the first business transacted at the Annual General Meeting of the Community Council.

Subject to the requirements of this Scheme as prepared by East Lothian Council, each Community Council formed under this Scheme, shall arrange its own business and proceedings in such manner as the Community Council may determine but all Community Council business shall be conducted in public. (see 13)

The views of the community may, from time to time, conflict with the personal views of individual Community Council members. When this situation arises, a Community Council is required to ensure that the views of the community take precedence over the personal views of individual members. In the interests of impartiality, the Community Council should be advised of any personal interest by a Community Councillor (e.g. membership of any group which may benefit from financial aid from the Community Council), who then may not take part in any decision making.

Notices of Meetings, agendas and minutes should be posted in public places, noticeboards, etc and contact names, addresses and telephone numbers should be provided. Consideration should be given to the issue of a newsletter to ensure public knowledge of the work of the Community Council.

Participation in the Association of East Lothian Community Councils is encouraged in the interests of establishing good practice, exchanging experiences and discussing common issues.

DIVISION OF EAST LOTHIAN INTO COMMUNITY COUNCIL AREAS

- 4** East Lothian shall be divided into twenty areas for Community Councils as detailed in paragraph 9 hereunder and the map annexed to the principal copy and each Community Council area shall have one Community Council.

DIVISION OF COMMUNITY COUNCIL AREAS INTO COMMUNITY WARDS

- 5 Community Council areas may be sub-divided into community wards for representation on Community Councils and for the purpose of election of Community Councillors and there shall be separate elections for each community ward within the Community Council area.

ELECTIONS

- 6 Community Councillors shall be elected by secret ballot elections organised by East Lothian Council under such procedure as may be agreed by East Lothian Council from time to time. East Lothian Council particularly reserve the right to decide whether such secret ballot elections shall be conducted by ballot box or by postal vote which, where practical, will be given preference. The Returning Officer for any Community Council election shall be the Chief Executive of East Lothian Council. Community Council elections shall not be held simultaneously with East Lothian Council elections.

QUALIFICATIONS OF CANDIDATES FOR ELECTION

- 7 Candidates for election as Community Councillors, who must be aged 16 or over, shall reside, work, own/lease property or be registered as a local government elector, for the whole of the previous twelve months preceding the date of nomination, within the Community Council area for which they are candidates. Nomination papers must be signed by the candidate and a witness to the candidate's signature.

Elected Members of the local authority, Scottish, UK and European Parliaments are entitled to attend Community Council meetings and receive agendas and minutes. They are not entitled to become members of Community Councils or to vote at meetings.

Where the procedures at ordinary election, or for the filling of a casual vacancy, have been duly exercised and have failed to secure the appointment of candidates, then appointment of candidates from other wards of the Community Council Area shall, at East Lothian Council's discretion, be allowed to be made with full voting rights, for the period until the next ordinary elections of Community Councils.

QUALIFICATIONS OF ELECTORS

- 8 Only such persons 16 years of age or over, as are included in the section of the register of local government electors applicable to the community ward for that Community Council area, shall be entitled to vote in the election of the Community Councillor or Councillors for that community ward.

AREAS, COMMUNITY AREAS AND NUMBER OF COUNCILLORS

- 9 The areas of Community Councils within East Lothian, the community wards within such Community Council areas and the number of elected Councillors for each Community Council and representing each community ward, shall be as set out in the table in the Schedule hereto and as shown delineated on the relevant map annexed as relative to the principal copy of this Scheme, which shall be definitive as to boundaries of Community Councils and community areas. Any dispute as to boundaries of Community Councils or community wards shall be referred to East Lothian Council whose decision shall be final. Community Council numbers and community ward numbers listed in the Schedule relate to numbers shown on the map annexed to the principal copy.

NOTE: The annexed map referred to in the Scheme can be examined at John Muir House, Haddington, at East Lothian Council area offices, community centres or libraries.

TERM OF OFFICE

- 10** Elections shall take place every fourth year, such duration concurring with that of Local Authorities. Community Council elections may be held on different days in different areas. The term of office of Community Councillors shall be a period of four years and they shall retire together at the end of such term, on the day of the ordinary election of Community Councillors for that area.

CASUAL VACANCIES

- 11** Casual vacancies occurring in a Community Council between ordinary elections, shall be filled by appointment by the Community Council after a period of 21 days, during which such vacancies have been advertised by the Community Council within their area. A person appointed to fill a casual vacancy in a Community Council must be 16 years of age or over at the time of appointment shall reside, work, own/lease property or be registered as a local government elector, for the whole of the previous twelve months preceding the date of nomination, within the Community Council area for which they are candidates. Elected Members of the local authority, Scottish, UK and European Parliaments are not entitled to become members of Community Councils.

A casual vacancy shall be deemed to include and shall be declared when:

- (i) An elected Community Councillor ceases to reside within the Community Council area for which he had been elected, or
- (ii) An elected Community Councillor fails to attend any meetings of the Community Council for a period of three consecutive meetings without good reason, or
- (iii) An elected Community Councillor resigns from the Community Council.

Election procedures for casual vacancies are flexible and left to the discretion of the individual Community Councils, but must be incorporated within individual Community Council constitutions - guideline procedures which can be followed are:

- (i) Prospective candidate to submit a letter to Community Council, outlining their reasons for wishing to be considered.
- (ii) Candidate can then be invited to a meeting of the Community Council (private) to meet members and to discuss any issues further.
- (iii) Candidate is then asked to retire until decision made, to be informed at a later date.
- (iv) Vote taken by show of hands or private ballot.
- (v) Community Councillors are entitled to vote once for each vacant position i.e. one vote for one vacancy, two votes for two vacancies etc.

CO-OPTED MEMBERS

- 12** A Community Council may at any time co-opt any person or persons residing, working or having an interest in the Community Council area, to serve on the Community Council or any Committee or other body formed by the Community Council, on which the Community Council is entitled to be represented. Elected Members of the local authority, Scottish, UK and European Parliaments are not entitled to be co-opted members of Community Councils. There is no limit to the number of persons co-opted. There is also no age limit on persons co-opted by the Community Council and it is strongly recommended that this facility be used to involve young people. It must, however, be noted that co-opted members shall have no voting powers at meetings of the full Community Council and may be co-opted either for a specific purpose or for a specific period, provided that all co-opted members shall retire along with elected Community Councillors at the end of the term of office.

MEETINGS

- 13** Community Councils shall hold at least one meeting every three months and all meetings of the Community Council shall be called and held in public. However, a Community Council may resolve that an item be considered in private because of its confidential nature. Any Minute of the discussion will disclose any decision or recommendation, when appropriate, without disclosing any confidential information and shall be reported back to a public meeting of the Community Council.

Sub-committees to deal with specific items may also be formed, but again, any decision or recommendation shall be reported back to a public meeting of the Community Council.

FIRST MEETING

- 14** The Returning Officer shall call the first meeting of a Community Council within fourteen days of election. At such first meeting, an appropriate person should be appointed to call the roll and preside over the election of office bearers.

CONSTITUTION

- 15** The Community Council will draw up a constitution which, within the terms of this Scheme, will govern the conduct of its business and proceedings. The constitution when drawn up will be valid only after its adoption at a public meeting convened by the Community Council for this purpose and subsequent ratification by East Lothian Council.

MEETING PLACES

- 16** East Lothian Council premises shall be available, where possible, for the purpose of Community Council meetings if the Community Council so wish.

FINANCIAL ASSISTANCE TO COMMUNITY COUNCILS

17 (a) Administrative Expenses

Community Councils will arrange and organise their own services. Basic office services, however, shall be available, wherever possible and on such terms as East Lothian Council may decide, within the nearest Council office, if the Community Council so requires. No allowances shall be payable to Community Councillors by East Lothian Council.

Community Councillors/ Secretaries should submit to their Community Council, any claims for reimbursement of expenses, with receipts where possible. This should NOT be included in any honoraria/payment for secretarial services.

Honoraria may be paid to office bearers/for secretarial services at a level agreed with guidance from East Lothian Council.

(b) Financial Contribution

East Lothian Council will contribute annually to the administrative expenses of each Community Council, a fixed sum plus a grant per head of the estimated electorate of the Community Council area.

These sums will be reviewed annually by East Lothian Council.

(c) Accommodation Costs

East Lothian Council will meet the full accommodation costs of Community Councils who have to hire premises for their meetings etc.

(d) Assistance with specific Local Projects

Individual Community Councils, in partnership with East Lothian Council, shall implement a framework of financial assistance designed to provide Community Council areas with the opportunity to determine local community improvement projects.

ACCOUNTS and AUDIT

- 18** Every Community Council shall keep proper accounts of all funds handled by it and such accounts shall be made up annually and shall be audited by the Director of Finance of East Lothian Council, or his nominee, or by an independent auditor appointed by East Lothian Council.

DISSOLUTION

- 19** In the event of a Community Council being dissolved, East Lothian Council shall take custody of any papers, minutes and other assets, together with all funds, until a new Community Council is set up for that area, whereby all of the foregoing shall be delivered to the safekeeping of the new Community Council.

LIAISON and INFORMATION

20 (a) East Lothian Council

As a basis for keeping each other informed on matters of mutual interest within their control, East Lothian Council shall supply, or otherwise make available, all public agendas and Minutes of East Lothian Council and Committees to each Community Council and each Community Council shall supply notices of their meetings and Minutes, or other records of their proceedings to East Lothian Council. The Chief Executive shall be responsible for continuing and developing contact with Community Councils, so far as East Lothian Council is concerned.

Without prejudice to the foregoing generality East Lothian Council -

(i) shall seek the views of a community through the local Community Council on matters of significant local interest, including matters arising under the Town and Country Planning (Scotland) Acts, affecting that community and for these purposes East Lothian Council shall provide appropriate information and reports to enable a Community Council to ascertain the views of the community which it represents.

(ii) may hold joint meetings between representatives of East Lothian Council and Community Councils to discuss matters of mutual interest.

(iii) may request a Community Council to carry out functions or duties on behalf of East Lothian Council on such terms as might be agreed.

(iv) is committed to supplying Community Councils with the support and training necessary to carry out their duties effectively.

(b) Public Authorities

East Lothian Council shall initiate and assist in consultations between Community Councils and public authorities in the area to develop a code of practice covering the whole question of the exchange of information between them.

REVIEW

21 This Scheme shall be reviewed from time to time by East Lothian Council and may be amended by them after public consultation, in terms of Section 53 of the Local Government (Scotland) Act 1973, Section 25 and Schedule 2 of the Local Government (Miscellaneous Provisions) (Scotland) Act 1981 and Section 22 of the Local Government (Scotland) Act 1994.

EAST LOTHIAN COUNCIL

Scheme for Community Councils

ANNEX

1. Map of East Lothian showing Community Council area boundaries and the boundaries of wards within areas.

EAST LoTHIAN COMMUNITY COUNCILS

Table of Community Councils, Community Wards and Number of elected Community Councillors

Area No.	Community Council	Councillors per Community Ward	
1	Musselburgh and Inveresk	1/1	9
		1/2	8
		Total	17
2	Whitecraig	2	7
		Total	7
3	Wallyford	3	6
		Total	6
4	Prestonpans	4/1	10
		4/2	10
		Total	20
5	Cockenzie and Port Seton	5	10
		Total	10
6	Longniddry	6	9
		Total	9
7	Tranent and Elphinstone	7/1	3
		7/2	6
		7/3	2
		Total	11
8	Ormiston	8	10
		Total	10
9	Pencaitland	9	15
		Total	15
10	Macmerry and Gladsmuir	10	9
		Total	9
11	Gullane Area	11/1	4
		11/2	6
		11/3	2
		11/4	1
		Total	13
12	North Berwick	12	12
		Total	12

13	Humbie, East & West Saltoun and Bolton	13/1	3
		13/2	3
		13/3	2
		Total	8
14	Haddington and District	14/1	14
		14/2	2
		Total	16
15	Gifford	15	9
		Total	9
16	Garvald and Morham	16	6
		Total	6
17	Dunpender	17/1	1
		17/2	2
		17/3	6
		17/4	3
		Total	12
18	West Barns	18	7
		Total	7
19	Dunbar	19	12
		Total	12
20	East Lammermuir (Oldhamstocks, Innerwick, Spott and Stenton)	20/1	2
		20/2	2
		20/3	2
		20/4	2
		Total	8

217

EAST LoTHIAN COUNCIL

COMMUNITY COUNCILS

RULES for ELECTION

(as adopted by the Council at their meeting on 29 April 1976 and subsequently amended 2004)

1. In accordance with the Scheme for Community Councils made by the District Council and approved by the Secretary of State for Scotland in terms of the Local Government (Scotland) Act 1973 Part IV and subsequently amended in terms of the Local Government (Scotland) Act 1994, Community Councils shall be elected by secret ballot elections organised by East Lothian Council under such procedure as may be agreed by East Lothian Council from time to time.
2. East Lothian Council reserve the right to decide whether such secret ballot elections shall be conducted by ballot box or by postal vote.
3. Elections of Community Councils shall be conducted in accordance with the principles and procedures of the Scottish Local Elections Rules 1974, adjusted and amended as appropriate in accordance with these Rules made by East Lothian Council.
4. The Returning Officer for Community Council Elections shall be the Chief Executive of East Lothian Council.
5. Any question of interpretation of the Scottish Local Elections Rules 1974, as amended by these Rules shall be referred to the Returning Officer whose decision shall be final.
6. No polling cards shall be issued or required in Community Council Elections.
7. Candidates shall not have and shall not require to have an official election polling, counting or other agent.
8. Candidates are not expected to incur other than nominal expenses in connection with elections. No expenses of candidates shall be refundable by East Lothian Council.
9. Tendered ballot paper procedure shall not be incorporated in Community Council election procedure.
10. It is confirmed that the provisions regarding the death of a candidate before the declaration in a contested election shall result in the abandonment of the poll.
11. Candidates for election as Community Councillors, who must be aged 16 or over, shall reside, work, own/lease property or be registered as a local government elector, for the whole of the previous twelve months preceding the date of nomination, within the Community Council area for which they are candidates. Nomination papers must be signed by the candidate and a witness to the candidate's signature.
12. Candidates may provide a description not exceeding 5 words in addition to name and address for inclusion in the ballot paper.
13. No proposer, seconder or assentors are required to a nomination.
14. No elections, either contested or uncontested, shall be held and no Community Council shall be formed where the number of candidates presented is insufficient to allow for the election of more

than half of the number of Community Councillors provided for in the Scheme.

15. Voters may vote and mark their ballot paper accordingly for their community ward up to the number of times equivalent to the number of Community Councillors to represent that community ward as provided in the Scheme. Ballot papers on which more votes have been cast than Councillors to be returned shall be regarded as wholly void.
16. The date and place of poll shall be as arranged from time to time by the Returning Officer.
17. The hours of poll shall be between 8 a.m. and 8 p.m., unless it is a postal ballot.
18. It is confirmed that the Returning Officer for Community Council Elections is authorised to appoint and pay Presiding Officers, Clerks, Enumerators or equivalent officials for the conduct of elections.
19. In addition to the general duty of the Returning Officer to do any act or thing which may be necessary for effectively conducting elections under these Rules the Returning Officer is further authorised, in the application of the Scottish Local Elections Rules 1974 hereto, to make any amendments or adjustments as may be appropriate or required according to local circumstances or as may be appropriate in the context of Community Council Elections.
20. The Returning Officer shall make arrangements for counting the votes as soon as practicable after the close of the poll and normally on the following day, not being a Sunday or public holiday.
21. The count for any Community Council election shall be conducted by East Lothian Council at a central location either in Musselburgh or Haddington, or as the Returning Officer may decide appropriate.
22. The rejection of any ballot paper shall be decided by the Returning Officer after consultation with the candidates, if present, and the decision of the Returning Officer shall be final.
23. Any other matters arising in connection with Community Council elections shall be referred to the Returning Officer, whose decision shall be final. There shall be no appeal by way of election petition or any other procedure in the context of Community Council elections.

Appendix 1 - Support to East Lothian Community Councils 2021/22

Name of Organisation	2021/22 Admin Grant	Insurance premium *	2021/22 Local Priorities	Area	2021/22 Grant Awarded	Funding Source	Purpose of Grant
Cockenzie & Port Seton	£808	£86	£6,240	Cockenzie & Port Seton	£7,048	Connected Communities	Supporting communities
Dunbar	£1,100	£86	£10,200	Dunbar	£11,300	Connected Communities	Supporting communities
Dunpender	£647	£86	£3,940	Dunpender	£4,587	Connected Communities	Supporting communities
East Lammermuir	£528	£86	£2,170	East Lammermuir	£2,698	Connected Communities	Supporting communities
Garvald & Morham	£469	£86	£920	Garvald & Morham	£1,389	Connected Communities	Supporting communities
Gifford	£511	£86	£1,700	Gifford	£2,211	Connected Communities	Supporting communities
Gullane	£837	£86	£6,610	Gullane	£7,447	Connected Communities	Supporting communities
Haddington	£1,212	£86	£11,880	Haddington	£13,092	Connected Communities	Supporting communities
Humbie, E & W Saltoun & Bolton	£521	£86	£1,830	Humbie, E & W Saltoun & Bolton	£2,351	Connected Communities	Supporting communities
Longniddry	£633	£86	£3,510	Longniddry	£4,143	Connected Communities	Supporting communities
Macmerry & Gladsmuir	£541	£86	£2,330	Macmerry & Gladsmuir	£2,871	Connected Communities	Supporting communities
Musselburgh & Inveresk	£1,790	£86	£19,740	Musselburgh & Inveresk	£21,530	Connected Communities	Supporting communities
North Berwick	£981	£86	£8,690	North Berwick	£9,671	Connected Communities	Supporting communities
Ormiston	£587	£86	£2,920	Ormiston	£3,507	Connected Communities	Supporting communities
Pencaitland	£579	£86	£2,830	Pencaitland	£3,409	Connected Communities	Supporting communities
Prestonpans	£1,098	£86	£10,420	Prestonpans	£11,518	Connected Communities	Supporting communities
Tranent & Elphinstone	£1,251	£86	£12,620	Tranent & Elphinstone	£13,871	Connected Communities	Supporting communities
Wallyford	£666	£86	£3,930	Wallyford	£4,596	Connected Communities	Supporting communities
West Barns	£482	£86	£1,340	West Barns	£1,822	Connected Communities	Supporting communities
Whitecraig	£529	£86	£2,190	Whitecraig	£2,719	Connected Communities	Supporting communities
	£15,770	£1,720	£116,010		£131,780		

* Now paid directly to Community Councils/amount included in the Admin grant (Column B)

Association of Community Councils

£150
Total funding = **£131,930**

Local Government (Scotland) Act 1973 & 1994



SCHEME FOR COMMUNITY COUNCILS

**(As approved by the Secretary of State for Scotland on 26 April 1976
and subsequently amended 2004, 2008 and 2012, after due public consultation)**

August 2012
June 2021 Edition

INTRODUCTION

- 1 In accordance with Section 22 of the Local Government (Scotland) Act 1994, East Lothian Council has amended the 2012~~04~~ Scheme for the establishment of Community Councils within [the](#) East Lothian Council area.

PURPOSE

- 2 In addition to any other purpose which a Community Council may pursue, the general purpose of a Community Council shall be to ascertain, co-ordinate and express to [East Lothian Council](#)~~the local authority for its area~~, and to other public authorities, the views of the community which it represents, in relation to matters for which those authorities are responsible and to take such action in the interests of that community as appears to it to be expedient and practicable.

The purpose of Community Councils is also to represent [a full cross section](#) ~~a full cross section~~ of the community and it is important that they ~~should do not appear to~~ favour any particular sections of the community. ~~By implication, this also means that they~~ [Community Councils](#) should not be party-political or sectarian. [They should be inclusive](#), ~~Community Councils~~ should eliminate [all forms](#) ~~racial~~ of discrimination and promote equality of opportunity and good relations between persons of different ~~racial~~ [ethnic and religious](#) groups.

CONDUCT OF BUSINESS

- 3 The Chair~~man~~ and other office bearers of a Community Council shall be elected annually and this shall be the first business transacted at the Annual General Meeting of the Community Council.

Subject to the requirements of this Scheme as prepared by East Lothian Council, each Community Council formed under this Scheme, shall arrange its own business and proceedings in such manner as the Community Council may determine but all Community Council business shall be conducted in public [and/or online where any community member can access discussions or documents during or after the meeting](#). (see 13)

~~The views of the community may, from time to time, conflict with the personal views of individual Community Council members. When this situation arises, a~~ [A](#) Community Council is required to ensure that the views of the community take precedence over the personal views of individual members. In the interests of impartiality, the Community Council should be advised of any personal interest by a Community Councillor (e.g. membership of any group which may benefit from financial aid from the Community Council), who then may not take part in any decision making.

Notices of Meetings, agendas and minutes should be posted in public places, noticeboards, ~~online~~ [ete](#) and ~~and~~ contact [information names, addresses and telephone numbers to communicate with Community Councillors](#) ~~should be~~ provided. [For the avoidance of doubt this may be a generic email such as officebearer@CCname.org](#) ~~Consideration should be given to the issue of a newsletter to ensure public knowledge of the work of the Community Council.~~

[All East Lothian Community Councils should nominate a primary and secondary representative to act as a liaison for P](#) participation in the Association of East Lothian Community Councils. [This forum](#) is encouraged in the interests of establishing good practice, exchanging experiences and discussing common issues. [It is recommended that primary communication between representatives will be via an email mailing list with formal meetings to be held at a time and date agreed by the representatives of all East Lothian Community Councils.](#)

DIVISION OF EAST LOTHIAN INTO COMMUNITY COUNCIL AREAS

- 4** East Lothian shall be divided into twenty areas for Community Councils as detailed in paragraph 9 hereunder and the map annexed to the principal copy and each Community Council area shall have one Community Council. ~~neil.~~

DIVISION OF COMMUNITY COUNCIL AREAS INTO COMMUNITY WARDS

- 5 Community Council areas may be sub-divided into community wards for representation on Community Councils and for the purpose of election of Community Councillors and there shall be separate elections for each community ward within the Community Council area.

ELECTIONS

- 6 Community Councillors shall be elected by secret ballot elections organised by East Lothian Council under such procedure as may be agreed by East Lothian Council from time to time. East Lothian Council ~~particularly reserves~~ the right to decide whether ~~such secret~~ ballot elections shall be conducted by ballot box, ~~or by~~ postal vote or electronic vote, ~~which, where practical, will be given preference~~. The Returning Officer for any Community Council election shall be the Chief Executive of East Lothian Council. Community Council elections shall not be held simultaneously with East Lothian Council elections.

QUALIFICATIONS OF CANDIDATES FOR ELECTION

- 7 Candidates for election as Community Councillors, who must be aged 16 or over, shall reside, work, own/lease property or be registered as a local government elector, for the whole of the previous twelve months preceding the date of nomination, within the Community Council area for which they are candidates. Nomination papers must be signed by the candidate and a witness to the candidate's signature.

Elected Members of the local authority, Scottish, UK and European Parliaments are entitled to attend Community Council meetings and receive agendas and minutes. They are not entitled to become members of Community Councils or to vote at meetings.

Where the procedures at ordinary election, or for the filling of a casual vacancy, have been duly exercised and have failed to secure the appointment of candidates, then appointment of candidates from other wards of the Community Council Area shall, at East Lothian Council's discretion, be allowed to be made with full voting rights, for the period until the next ordinary elections of Community Councils.

QUALIFICATIONS OF ELECTORS

- 8 ~~Only such persons~~ Only such persons 16 years of age or over, as are included in the section of the register of local government electors applicable to the community ward for that Community Council area, shall be entitled to vote in the election of the Community Councillor or Councillors for that community ward.

AREAS, COMMUNITY AREAS AND NUMBER OF COUNCILLORS

- 9 The areas of Community Councils within East Lothian, the community wards within such Community Council areas and the number of elected Councillors for each Community Council and representing each community ward, shall be as set out in the table in the Schedule hereto and as shown delineated on the relevant map annexed as relative to the principal copy of this Scheme, which shall be definitive as to boundaries of Community Councils and community areas. Any dispute as to boundaries of Community Councils or community wards shall be referred to East Lothian Council whose decision shall be final. Community Council numbers and community ward numbers listed in the Schedule relate to numbers shown on the map annexed to the principal copy.

NOTE: The annexed map referred to in the Scheme can be examined on the Council's website https://www.eastlothian.gov.uk/downloads/download/12747/community_council at John Muir House,

Haddington, at East Lothian Council area offices, community centres or libraries.

TERM OF OFFICE

- 10 Elections shall take place every fourth year, such duration concurring with that of Local Authorities. Community Council elections may be held on different days in different areas. The term of office of Community Councillors shall be a period of four years and they shall retire together at the end of such term, on the day of the ordinary election of Community Councillors for that area. [In exceptional circumstances elections may be postponed in consultation with the Chief Executive of East Lothian Council.](#)

CASUAL VACANCIES

- 11 Casual vacancies occurring in a Community Council between ordinary elections, shall be filled by appointment by the Community Council after a period of 21 days, during which such vacancies have been advertised by the Community Council within their area. A person appointed to fill a casual vacancy in a Community Council must be 16 years of age or over at the time of appointment shall reside, work, own/lease property or be registered as a local government elector, for the whole of the previous twelve months preceding the date of nomination, within the Community Council area for which they are candidates. Elected Members of the local authority, Scottish, UK and European Parliaments are not entitled to become members of Community Councils.

A casual vacancy shall be deemed to include and shall be declared when:

- (i) An elected Community Councillor ceases to reside within the Community Council area for which he had been elected, or
- (ii) An elected Community Councillor fails to attend any meetings of the Community Council for a period of three consecutive meetings without good reason, -or
- (iii) An elected Community Councillor resigns from the Community Council.

Election procedures for casual vacancies are flexible and left to the discretion of the individual Community Councils, but must be incorporated within individual Community Council constitutions. ~~—guideline procedures which can be followed are:~~

- ~~(i) Prospective candidate to submit a letter to Community Council, outlining their reasons for wishing to be considered.~~
- ~~(ii) Candidate can then be invited to a meeting of the Community Council (private) to meet members and to discuss any issues further.~~
- ~~(iii) Candidate is then asked to retire until decision made, to be informed at a later date.~~
- ~~(iv) Vote taken by show of hands or private ballot.~~
- ~~(v) Community Councillors are entitled to vote once for each vacant position i.e. one vote for one vacancy, two votes for two vacancies etc.~~

CO-OPTED MEMBERS

- 12 A Community Council may at any time co-opt any person or persons residing, working or having an interest in the Community Council area, to serve on the Community Council or any Committee or other body formed by the Community Council, on which the Community Council is entitled to be represented. Elected Members of the local authority, Scottish, UK and European Parliaments are not entitled to be co-opted members of Community Councils. There is no limit to the number of persons co-opted. There is also no age limit on persons co-opted by the Community Council and it is strongly recommended that this facility be used to involve young people. It must, however, be noted that co-opted members shall have no voting powers at meetings of the full Community Council and may be co-opted either for a specific purpose or for a specific period, provided that all co-opted members shall retire along with elected Community Councillors at the end of the term of office.

MEETINGS

- 13 Community Councils shall hold at least one meeting every three months and all meetings of the Community Council shall be called and held in public. However, a Community Council may resolve that an item be considered in private because of its confidential nature. Any Minute of the discussion will disclose any decision or recommendation, when appropriate, without disclosing any confidential information and shall be reported back to a public meeting of the Community Council.

Sub-committees to deal with specific items may also be formed, but again, any decision or recommendation shall be reported back to a public meeting of the Community Council.

Meetings may be held on an online platform where circumstances require; online meetings must also be minuted.

In the event of disruptive behaviour during a meeting, where the Chair is unable to continue, the meeting may be adjourned to deal with the individual(s), which may include removing them from the meeting.

FIRST MEETING

- 14 ~~The Returning Officer shall call it~~ The first meeting of a newly elected Community Council must take place within 28 fourteen days of results of the election being announced. At such first meeting, an appropriate person should be appointed to call the roll and preside over the election of office bearers as per the constitution of the relevant Community Council.

CONSTITUTION

- 15 The Community Council will draft draw up a constitution which, within the terms of this Scheme, will govern the conduct of its business and proceedings. The constitution ~~when drawn up~~ will be valid only after its adoption at a public meeting convened by the Community Council for this purpose and subsequent ratification by council officers ~~East Lothian Council~~.

In the event that a Community Council's constitution is in contradiction to the terms of this Scheme, this Scheme shall take precedence.

MEETING PLACES

- 16 Community Councils shall hold public meetings; in exceptional circumstances meetings can be held virtually. Community Councils may use and East Lothian Council shall make available, East Lothian Council premises for the purpose of Community Council Meetings. Where East Lothian Council premises are unavailable for a particular meeting then the Community Council may hire a suitable venue for that meeting. ~~East Lothian Council premises shall be available, where possible, for the purpose of Community Council meetings if the Community Council so wish.~~

FINANCIAL ASSISTANCE TO COMMUNITY COUNCILS

17 (a) Administrative Expenses

Community Councils will arrange and organise their own services. Basic office services, however, shall be available, wherever possible and on such terms as East Lothian Council may decide, within the nearest Council office, if the Community Council so requires. No allowances shall be payable to Community Councillors by East Lothian Council.

Community Councillors/ Secretaries should submit to their Community Council, any claims for reimbursement of expenses, with receipts where possible. This should NOT be included in any honoraria/payment for secretarial services.

Honoraria may be paid to office bearers/for secretarial services at a level agreed with guidance from East Lothian Council.

(b) Financial Contribution

East Lothian Council will contribute annually to the administrative expenses of each Community Council, a fixed sum plus a grant per head of the estimated electorate of the Community Council area.

These sums will be reviewed annually by East Lothian Council.

(c) Accommodation Costs

East Lothian Council will meet the full accommodation costs of Community Councils who have to hire premises for their meetings-~~ete~~.

(d) Assistance with specific Local Projects

Individual Community Councils, in partnership with East Lothian Council, shall implement a framework of financial assistance designed to provide Community Council areas with the opportunity to determine local community improvement projects.

ACCOUNTS and AUDIT

- 18 Every Community Council shall keep proper accounts of all funds handled by it and such accounts shall be made up annually and shall be checked and signed off by an independent qualified accountant, before being submitted to East Lothian Council to be audited by the Head Director of Finance ~~of East Lothian Council~~, or their~~his~~-nominee, or by an independent auditor appointed by East Lothian Council.

DISSOLUTION

- 19 In the event of a Community Council being dissolved, East Lothian Council shall take custody of any papers, minutes and other assets, together with all funds, until a new Community Council is set up for that area, whereby all of the foregoing shall be delivered to the safekeeping of the new Community Council.

LIAISON and INFORMATION

20 ~~(a)~~ — East Lothian Council

As a basis for keeping each other informed on matters of mutual interest within their control, East Lothian Council shall supply, or otherwise make available, all public agendas and Minutes of East Lothian Council and Committees to each Community Council and each Community Council shall supply notices of their meetings and Minutes, or other records of their proceedings to East Lothian Council. The Chief Executive shall be responsible for continuing and developing contact with Community Councils, ~~so far as East Lothian Council is concerned.~~
~~Without prejudice to the foregoing generality~~ East Lothian Council -

(i) shall seek the views of a community through the local Community Council on matters of significant local interest, including matters arising under the Town and Country Planning (Scotland) Acts, affecting that community and for these purposes East Lothian Council shall provide appropriate information and reports to enable a Community Council to ascertain the views of the community which it represents.

(ii) may hold joint meetings between representatives of East Lothian Council and Community Councils to discuss matters of mutual interest.

(iii) may request a Community Council to carry out functions or duties on behalf of East Lothian Council on such terms as might be agreed.

(iv) is committed to supplying Community Councils with the support and training necessary to carry out their duties effectively.

~~(b)~~ — Public Authorities

~~East Lothian Council shall initiate and assist in consultations between Community Councils and public authorities in the area to develop a code of practice covering the whole question of the exchange of information between them.~~

A Community Council will have in place, and East Lothian Council may give advice upon, recognised consultative mechanisms to validate their views and devise strategies to secure greater involvement by all sectors of the community.

REVIEW

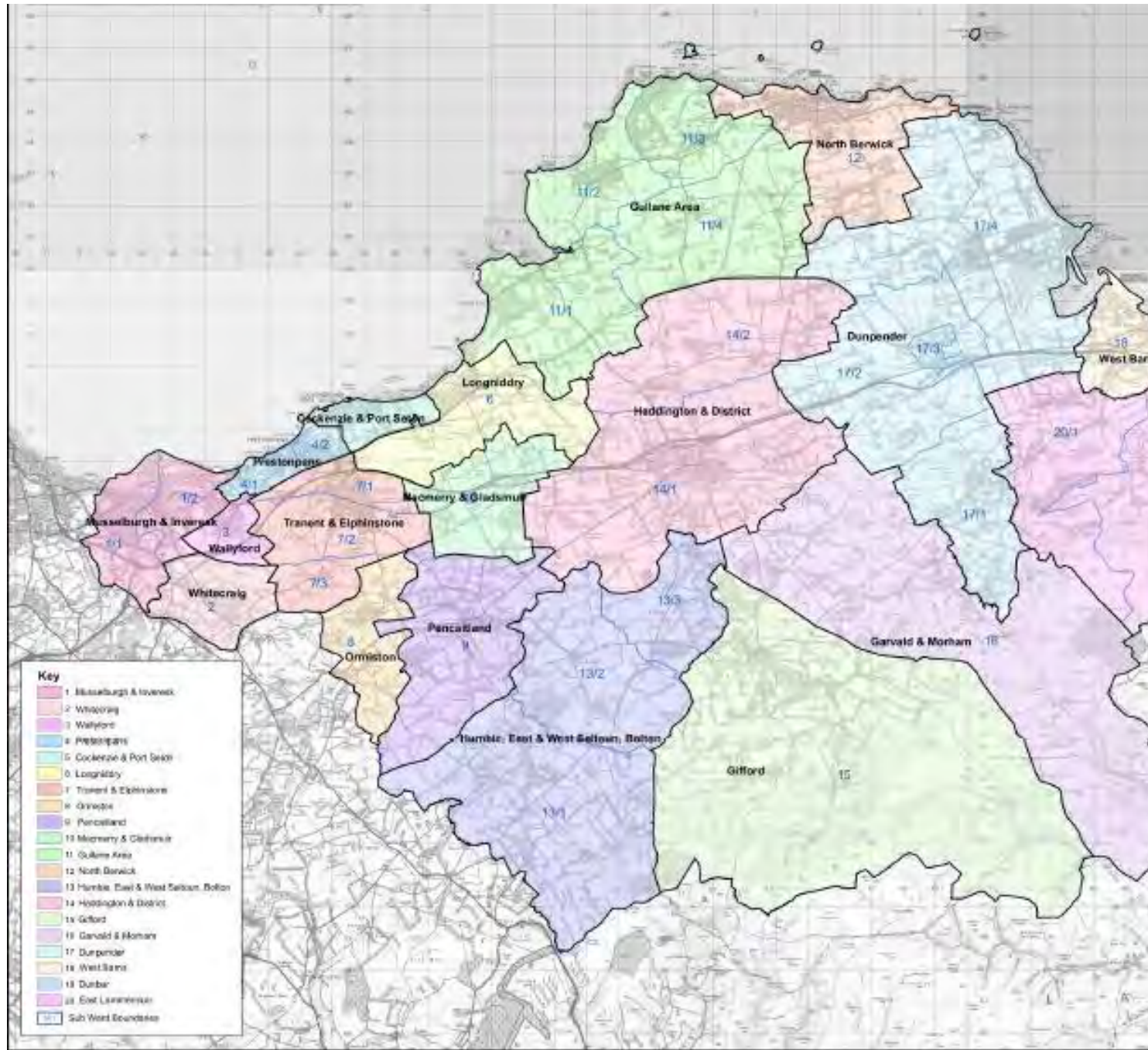
21 This Scheme shall be reviewed from time to time by East Lothian Council and may be amended by them after public consultation, in terms of Section 53 of the Local Government (Scotland) Act 1973, Section 25 and Schedule 2 of the Local Government (Miscellaneous Provisions) (Scotland) Act 1981 and Section 22 of the Local Government (Scotland) Act 1994.

EAST LoTHIAN COUNCIL

Scheme for Community Councils

ANNEX

1. Map of East Lothian showing Community Council area boundaries and the boundaries of wards within areas.



EAST LoTHIAN COMMUNITY COUNCILS

Table of Community Councils, Community Wards and Number of elected Community Councillors

Area No.	Community Council	Councillors per Community Ward	
1	Musselburgh and Inveresk	1/1	9
		1/2	8
		Total	17
2	Whitecraig	2	7
		Total	7
3	Wallyford	3	6
		Total	6
4	Prestonpans	4/1	10
		4/2	10
		Total	20
5	Cockenzie and Port Seton	5	10
		Total	10
6	Longniddry	6	9
		Total	9
7	Tranent and Elphinstone	7/1	3
		7/2	6
		7/3	2
		Total	11
8	Ormiston	8	10
		Total	10
9	Pencaitland	9	15
		Total	15
10	Macmerry and Gladsmuir	10	9
		Total	9
11	Gullane Area	11/1	4
		11/2	6
		11/3	2
		11/4	1
		Total	13
12	North Berwick	12	12
		Total	12

13	Humbie, East & West Saltoun and Bolton	13/1	3
		13/2	3
		13/3	2
		Total	8
14	Haddington and District	14/1	14
		14/2	2
		Total	16
15	Gifford	15	9
		Total	9
16	Garvald and Morham	16	6
		Total	6
17	Dunpender	17/1	1
		17/2	2
		17/3	6
		17/4	3
		Total	12
18	West Barns	18	7
		Total	7
19	Dunbar	19	12
		Total	12
20	East Lammermuir (Oldhamstocks, Innerwick, Spott and Stenton)	20/1	2
		20/2	2
		20/3	2
		20/4	2
		Total	8

217

EAST LoTHIAN COUNCIL

COMMUNITY COUNCILS

RULES for ELECTION

(as adopted by the Council at their meeting on 29 April 1976 and subsequently amended 2004)

1. In accordance with the Scheme for Community Councils made by the District Council and approved by the Secretary of State for Scotland in terms of the Local Government (Scotland) Act 1973 Part IV and subsequently amended in terms of the Local Government (Scotland) Act 1994, Community Councils shall be elected by secret ballot elections organised by East Lothian Council under such procedure as may be agreed by East Lothian Council from time to time.
2. East Lothian Council reserve the right to decide whether such secret ballot elections shall be conducted by ballot box, ~~or~~ by postal [or electronic](#) vote.
3. Elections of Community Councils shall be conducted in accordance with the principles and procedures of the Scottish Local Elections Rules 1974, adjusted and amended as appropriate in accordance with these Rules made by East Lothian Council.
4. The Returning Officer for Community Council Elections shall be the Chief Executive of East Lothian Council.
5. Any question of interpretation of the Scottish Local Elections Rules 1974, as amended by these Rules shall be referred to the Returning Officer whose decision shall be final.
6. No polling cards shall be issued or required in Community Council Elections.
7. Candidates shall not have and shall not require to have an official election polling, counting or other agent.
8. Candidates are not expected to incur other than nominal expenses in connection with elections. No expenses of candidates shall be refundable by East Lothian Council.
9. Tendered ballot paper procedure shall not be incorporated in Community Council election procedure.
10. It is confirmed that the provisions regarding the death of a candidate before the declaration in a contested election shall result in the abandonment of the poll.
11. Candidates for election as Community Councillors, who must be aged 16 or over, shall reside, work, own/lease property or be registered as a local government elector, for the whole of the previous twelve months preceding the date of nomination, within the Community Council area for which they are candidates. Nomination papers must be signed by the candidate and a witness to the candidate's signature.
12. Candidates may provide a description not exceeding 5 words in addition to name and address for inclusion in the ballot paper.
13. ~~No proposer, seconder or assentors are required to a nomination.~~ [A candidate may nominate themselves.](#)
14. [Where the number of candidates for election is less than half the number of Community](#)

Councillors provided for in this Scheme, there will be no election (contested or uncontested) and no Community Council shall be formed. ~~No elections, either contested or uncontested, shall be held and no Community Council shall be formed where the number of candidates presented is insufficient to allow for the election of more than half of the number of Community Councillors provided for in the Scheme.~~

15. The number of Community Councillors for each ward is provided in this Scheme; during an election voters may vote and mark their ballot paper only up to this number ~~Voters may vote and mark their ballot paper accordingly for their community ward up to the number of times equivalent to the number of Community Councillors to represent that community ward as provided in the Scheme. Ballot papers on which more votes have been cast than Councillors to be returned shall be~~ otherwise their vote will be -regarded as ~~wholly~~ void.
16. The date, ~~and~~ place and format of the poll shall be as arranged from time to time by the Returning Officer.
17. The hours of poll shall be between 8 a.m. and 8 p.m., unless it is a postal or electronic ballot.
18. It is confirmed that the Returning Officer for Community Council Elections is authorised to appoint and pay Presiding Officers, Clerks, Enumerators or equivalent officials for the conduct of elections.
19. In addition to the general duty of the Returning Officer to do any act or thing which may be necessary for effectively conducting elections under these Rules the Returning Officer is further authorised, in the application of the Scottish Local Elections Rules 1974 hereto, to make any amendments or adjustments as may be appropriate or required according to local circumstances or as may be appropriate in the context of Community Council Elections.
20. The Returning Officer shall make arrangements for counting the votes as soon as practicable after the close of the poll and normally on the following day, not being a Sunday or public holiday.
21. The count for any Community Council election shall be conducted by East Lothian Council at a an accessible ~~central~~ location ~~either in Musselburgh or Haddington, or~~ as the Returning Officer may decide appropriate.
22. The rejection of any ballot paper shall be decided by the Returning Officer after consultation with the candidates, if present, and the decision of the Returning Officer shall be final.
23. Any other matters arising in connection with Community Council elections shall be referred to the Returning Officer, whose decision shall be final. There shall be no appeal by way of election petition or any other procedure in the context of Community Council elections.

Local Government (Scotland) Act 1973 & 1994



SCHEME FOR COMMUNITY COUNCILS

(As approved by the Secretary of State for Scotland on 26 April 1976
and subsequently amended 2004, 2008 and 2012, after due public
consultation)

June 2021 Edition

1. INTRODUCTION

In accordance with Section 22 of the Local Government (Scotland) Act 1994, East Lothian Council has amended the 2012 Scheme for the establishment of Community Councils within the East Lothian Council area.

2. PURPOSE

In addition to any other purpose which a Community Council may pursue, the general purpose of a Community Council shall be to ascertain, co-ordinate and express to East Lothian Council, and to other public authorities, the views of the community which it represents, in relation to matters for which those authorities are responsible and to take such action in the interests of that community as appears to it to be expedient and practicable.

The purpose of Community Councils is also to represent a full cross section of the community and it is important that they do not favour any particular sections of the community. Community Councils should not be party-political or sectarian. They should be inclusive, should eliminate all forms of discrimination and promote equality of opportunity and good relations between persons of different ethnic and religious groups.

3. CONDUCT OF BUSINESS

The Chair and other office bearers of a Community Council shall be elected annually and this shall be the first business transacted at the Annual General Meeting of the Community Council.

Subject to the requirements of this Scheme as prepared by East Lothian Council, each Community Council formed under this Scheme, shall arrange its own business and proceedings in such manner as the Community Council may determine but all Community Council business shall be conducted in public and/or online where any community member can access discussions or documents during or after the meeting. (see 13)

A Community Council is required to ensure that the views of the community take precedence over the personal views of individual members. In the interests of impartiality, the Community Council should be advised of any personal interest by a Community Councillor (e.g. membership of any group which may benefit from financial aid from the Community Council), who then may not take part in any decision making.

Notices of Meetings, agendas and minutes should be posted in public places, noticeboards, online and contact information to communicate with Community Councillors provided. For the avoidance of doubt this may be a generic email such as officebearer@CCname.org

All East Lothian Community Councils should nominate a primary and secondary representative to act as a liaison for participation in the Association of East Lothian Community Councils. This forum is encouraged in the interests of establishing good practice, exchanging experiences and

discussing common issues. It is recommended that primary communication between representatives will be via an email mailing list with formal meetings to be held at a time and date agreed by the representatives of all East Lothian Community Councils.

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Community Council areas may be sub-divided into community wards for representation on Community Councils and for the purpose of election of Community Councillors and there shall be separate elections for each community ward within the Community Council area.

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Community Councillors shall be elected by secret ballot elections organised by East Lothian Council under such procedure as may be agreed by East Lothian Council from time to time. East Lothian Council reserves the right to decide whether ballot elections shall be conducted by ballot box, postal vote or electronic vote. The Returning Officer for any Community Council election shall be the Chief Executive of East Lothian Council. Community Council elections shall not be held simultaneously with East Lothian Council elections.

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Candidates for election as Community Councillors, who must be aged 16 or over, shall reside, work, own/lease property or be registered as a local government elector, for the whole of the previous twelve months preceding the date of nomination, within the Community Council area for which they are candidates. Nomination papers must be signed by the candidate and a witness to the **candidate's signature**.

Elected Members of the local authority, Scottish, UK and European Parliaments are entitled to attend Community Council meetings and receive agendas and minutes. They are not entitled to become members of Community Councils or to vote at meetings.

Where the procedures at ordinary election, or for the filling of a casual vacancy, have been duly exercised and have failed to secure the appointment of candidates, then appointment of candidates from other wards of the Community Council Area **shall, at East Lothian Council's discretion, be allowed** to be made with full voting rights, for the period until the next ordinary elections of Community Councils.

8. QUALIFICATIONS OF ELECTORS

Only such persons 16 years of age or over, as are included in the section of the register of local government electors applicable to the community ward for that Community Council area, shall be entitled to vote in the election of the Community Councillor or Councillors for that community ward.

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Elections shall take place every fourth year, such duration concurring with that of Local Authorities. Community Council elections may be held on different days in different areas. The term of office of Community Councillors shall be a period of four years and they shall retire together at the end of such term, on the day of the ordinary election of Community Councillors for that area. In exceptional circumstances elections may be postponed in consultation with the Chief Executive of East Lothian Council.

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In the event that a Community Council's constitution is in contradiction to the terms of this Scheme, this Scheme shall take precedence.

16. MEETING PLACES

Community Councils shall hold public meetings; in exceptional circumstances meetings can be held virtually. Community Councils may use and East Lothian Council shall make available, East Lothian Council premises for the purpose of Community Council Meetings. Where East Lothian Council premises are unavailable for a particular meeting then the Community Council may hire a suitable venue for that meeting.

17. FINANCIAL ASSISTANCE TO COMMUNITY COUNCILS

(a) Administrative Expenses

Community Councils will arrange and organise their own services. Basic office services, however, shall be available, wherever possible and on such terms as East Lothian Council may decide, within the nearest Council office, if the Community Council so requires. No allowances shall be payable to Community Councillors by East Lothian Council.

Community Councillors/ Secretaries should submit to their Community Council, any claims for reimbursement of expenses, with receipts where possible. This should NOT be included in any honoraria/payment for secretarial services.

Honoraria may be paid to office bearers/for secretarial services at a level agreed with guidance from East Lothian Council.

(b) Financial Contribution

East Lothian Council will contribute annually to the administrative expenses of each Community Council, a fixed sum plus a grant per head of the estimated electorate of the Community Council area.

These sums will be reviewed annually by East Lothian Council.

(c) Accommodation Costs

East Lothian Council will meet the full accommodation costs of Community Councils who have to hire premises for their meetings.

(d) Assistance with specific Local Projects

Individual Community Councils, in partnership with East Lothian Council, shall implement a framework of financial assistance designed to provide Community Council areas with the opportunity to determine local community improvement projects.

18. ACCOUNTS and AUDIT

Every Community Council shall keep proper accounts of all funds handled by it and such accounts shall be made up annually and shall be checked and signed off by an independent qualified accountant, before being submitted to East Lothian Council to be audited by the Head of Finance or their nominee, or by an independent auditor appointed by East Lothian Council.

19. DISSOLUTION

In the event of a Community Council being dissolved, East Lothian Council shall take custody of any papers, minutes and other assets, together with all funds, until a new Community Council is set up for that area, whereby all of the foregoing shall be delivered to the safekeeping of the new Community Council.

20. LIAISON and INFORMATION

East Lothian Council

As a basis for keeping each other informed on matters of mutual interest within their control, East Lothian Council shall supply, or otherwise make available, all public agendas and Minutes of East Lothian Council and Committees to each Community Council and each Community Council shall supply notices of their meetings and Minutes, or other records of their proceedings to East Lothian Council. The Chief Executive shall be responsible for continuing and developing contact with Community Councils.

East Lothian Council -

(i) shall seek the views of a community through the local Community Council

on matters of significant local interest, including matters arising under the Town and Country Planning (Scotland) Acts and the Licensing (Scotland) Act affecting that community and for these purposes East Lothian Council shall provide appropriate information and reports to enable a Community Council to ascertain the views of the community which it represents.

(ii) may hold joint meetings between representatives of East Lothian Council and Community Councils to discuss matters of mutual interest.

(iii) may request a Community Council to carry out functions or duties on behalf of East Lothian Council on such terms as might be agreed.

(iv) is committed to supplying Community Councils with the support and training necessary to carry out their duties effectively.

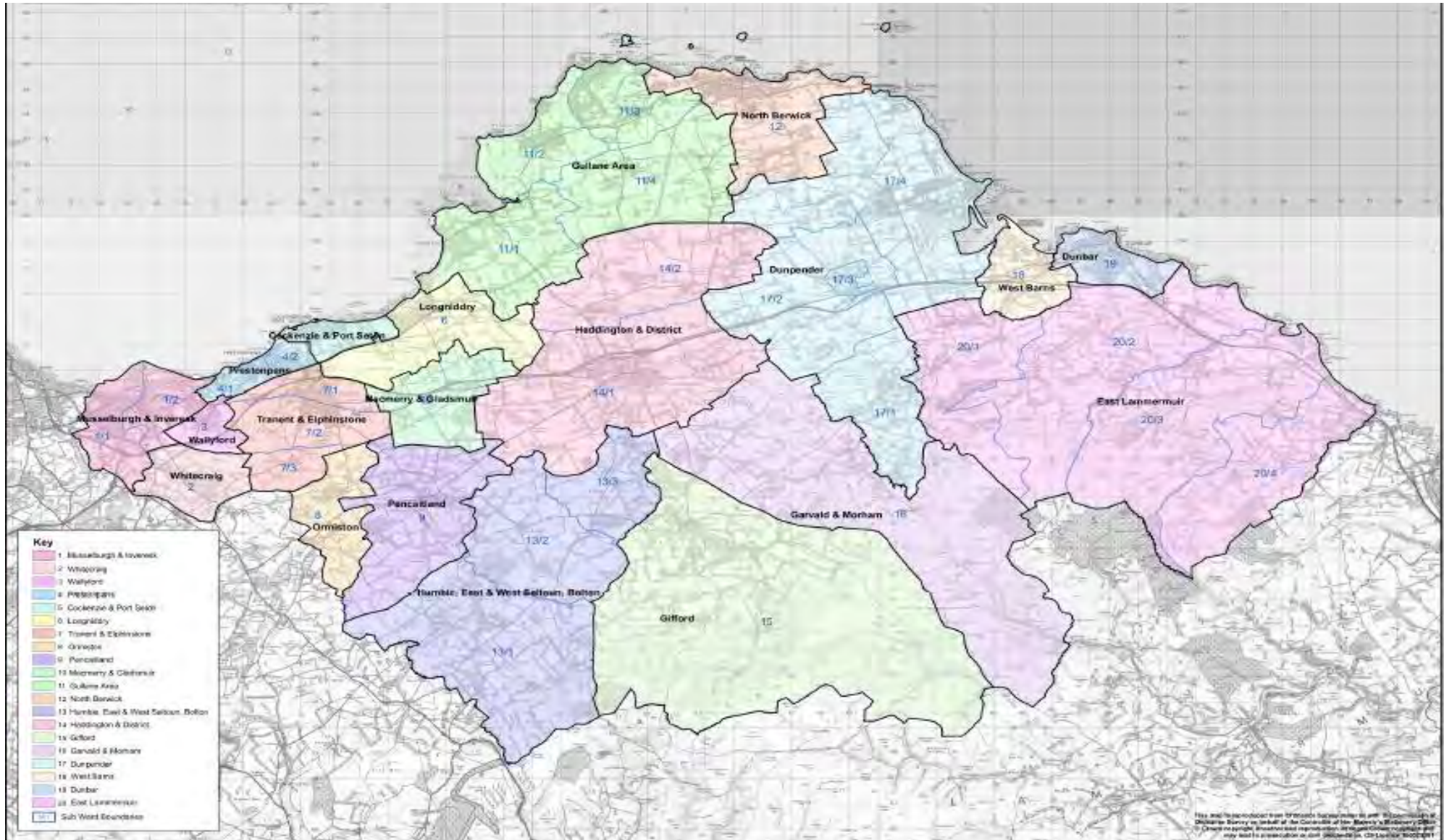
A Community Council will have in place, and East Lothian Council may give advice upon, recognised consultative mechanisms to validate their views and devise strategies to secure greater involvement by all sectors of the community.

21. REVIEW

This Scheme shall be reviewed from time to time by East Lothian Council and may be amended by them after public consultation, in terms of Section 53 of the Local Government (Scotland) Act 1973, Section 25 and Schedule 2 of the Local Government (Miscellaneous Provisions) (Scotland) Act 1981 and Section 22 of the Local Government (Scotland) Act 1994.

EAST LOTHIAN COUNCIL
 Scheme for Community Councils
 ANNEX

1. Map of East Lothian showing Community Council area boundaries and the boundaries of wards within areas.



EAST LOTHIAN COMMUNITY COUNCILS

Table of Community Councils, Community Wards and Number of elected Community Councillors

Area No.	Community Council	Councillors per Community Ward	
1	Musselburgh and Inveresk	1/1	9
		<u>1/2</u>	<u>8</u>
		<u>Total</u>	<u>17</u>
2	Whitecraig	<u>2</u>	<u>7</u>
		<u>Total</u>	<u>7</u>
3	Wallyford	<u>3</u>	<u>6</u>
		<u>Total</u>	<u>6</u>
4	Prestonpans	4/1	10
		<u>4/2</u>	<u>10</u>
		<u>Total</u>	<u>20</u>
5	Cockenzie and Port Seton	<u>5</u>	<u>10</u>
		<u>Total</u>	<u>10</u>
6	Longniddry	<u>6</u>	<u>9</u>
		<u>Total</u>	<u>9</u>
7	Tranent and Elphinstone	7/1	3
		7/2	6
		<u>7/3</u>	<u>2</u>
		<u>Total</u>	<u>11</u>
8	Ormiston	<u>8</u>	<u>10</u>
		<u>Total</u>	<u>10</u>
9	Pencaitland	<u>9</u>	<u>15</u>
		<u>Total</u>	<u>15</u>
10	Macmerry and Gladsmuir	<u>10</u>	<u>9</u>
		<u>Total</u>	<u>9</u>
11	Gullane Area	11/1	4
		11/2	6
		11/3	2
		<u>11/4</u>	<u>1</u>
		<u>Total</u>	<u>13</u>
12	North Berwick	<u>12</u>	<u>12</u>
		<u>Total</u>	<u>12</u>

13	Humbie, East & West Saltoun and Bolton	13/1	3
		13/2	3
		13/3	<u>2</u>
		<u>Total</u>	<u>8</u>
14	Haddington and District	14/1	14
	-	14/2	<u>2</u>
		<u>Total</u>	<u>16</u>
15	Gifford	15	9
		<u>Total</u>	<u>9</u>
16	Garvald and Morham	16	6
		<u>Total</u>	<u>6</u>
17	Dunpender	17/1	1
		17/2	2
		17/3	6
		17/4	<u>3</u>
		<u>Total</u>	<u>12</u>
18	West Barns	18	7
		<u>Total</u>	<u>7</u>
19	Dunbar	19	12
		<u>Total</u>	<u>12</u>
20	East Lammermuir (Oldhamstocks, Innerwick, Spott and Stenton)	20/1	2
		20/2	2
		20/3	2
		20/4	<u>2</u>
		<u>Total</u>	<u>8</u>

EAST LOTHIAN COUNCIL

COMMUNITY COUNCILS

RULES for ELECTION

(as adopted by the Council at their meeting on 29 April 1976 and subsequently amended 2004)

1. In accordance with the Scheme for Community Councils made by the District Council and approved by the Secretary of State for Scotland in terms of the Local Government (Scotland) Act 1973 Part IV and subsequently amended in terms of the Local Government (Scotland) Act 1994, Community Councils shall be elected by secret ballot elections organised by East Lothian Council under such procedure as may be agreed by East Lothian Council from time to time.
2. East Lothian Council reserve the right to decide whether such secret ballot elections shall be conducted by ballot box, by postal or electronic vote.
3. Elections of Community Councils shall be conducted in accordance with the principles and procedures of the Scottish Local Elections Rules 1974, adjusted and amended as appropriate in accordance with these Rules made by East Lothian Council.
4. The Returning Officer for Community Council Elections shall be the Chief Executive of East Lothian Council.
5. Any question of interpretation of the Scottish Local Elections Rules 1974, as amended by these Rules shall be referred to the Returning Officer whose decision shall be final.
6. No polling cards shall be issued or required in Community Council Elections.
7. Candidates shall not have and shall not require to have an official election polling, counting or other agent.
8. Candidates are not expected to incur other than nominal expenses in connection with elections. No expenses of candidates shall be refundable by East Lothian Council.
9. Tendered ballot paper procedure shall not be incorporated in Community Council election procedure.
10. It is confirmed that the provisions regarding the death of a candidate before the declaration in a contested election shall result in the abandonment of the poll.
11. Candidates for election as Community Councillors, who must be aged 16 or over, shall reside, work, own/lease property or be registered as a local government elector, for the whole of the previous twelve months preceding

the date of nomination, within the Community Council area for which they are candidates. Nomination papers must be signed by the candidate and a **witness to the candidate's signature.**

12. Candidates may provide a description not exceeding 5 words in addition to name and address for inclusion in the ballot paper.
13. A candidate may nominate themselves.
14. Where the number of candidates for election is less than half the number of Community Councillors provided for in this Scheme, there will be no election (contested or uncontested) and no Community Council shall be formed.
15. The number of Community Councillors for each ward is provided in this Scheme; during an election voters may vote and mark their ballot paper only up to this number otherwise their vote will be regarded as void.
16. The date, place and format of the poll shall be as arranged from time to time by the Returning Officer.
17. The hours of poll shall be between 8 a.m. and 8 p.m., unless it is a postal or electronic ballot.
18. It is confirmed that the Returning Officer for Community Council Elections is authorised to appoint and pay Presiding Officers, Clerks, Enumerators or equivalent officials for the conduct of elections.
19. In addition to the general duty of the Returning Officer to do any act or thing which may be necessary for effectively conducting elections under these Rules the Returning Officer is further authorised, in the application of the Scottish Local Elections Rules 1974 hereto, to make any amendments or adjustments as may be appropriate or required according to local circumstances or as may be appropriate in the context of Community Council Elections.
20. The Returning Officer shall make arrangements for counting the votes as soon as practicable after the close of the poll and normally on the following day, not being a Sunday or public holiday.
21. The count for any Community Council election shall be conducted by East Lothian Council at an accessible location as the Returning Officer may decide appropriate.
22. The rejection of any ballot paper shall be decided by the Returning Officer after consultation with the candidates, if present, and the decision of the Returning Officer shall be final.
23. Any other matters arising in connection with Community Council elections shall be referred to the Returning Officer, whose decision shall be final. There shall be no appeal by way of election petition or any other procedure in the context of Community Council elections.

REPORT TO: East Lothian Council
MEETING DATE: 22 June 2021
BY: Executive Director for Council Resources
SUBJECT: HR Flexible Working Policies

9

1 PURPOSE

- 1.1 To seek approval from Council on the newly developed Homeworking Policy and revisions made to both the Flexible Working Hours and Worksmart policies, all of which outline arrangements for eligible Council employees.

2 RECOMMENDATIONS

- 2.1 That Council approves the policies attached at Appendices B, C and D, to be introduced with effect from September 2021, to allow time for full employee engagement, communications and management support.

3 BACKGROUND

- 3.1 A programme of HR policy review has been underway since January 2019, with recent focus on the three flexible working policies outlined above, prioritised due to the need to continue to evolve modern work practices, make best use of ongoing advancement in technology, the lessons learned during current pandemic working and need to ensure that the Council's flexible working policies meet new ways of working and future service needs, whilst also supporting our employees.
- 3.2 The **Homeworking Policy** is a newly developed policy, formerly a sub-set of the Worksmart Policy that fundamentally focuses on employees being contracted to work from home rather than office based. This better aligns with existing Council strategies including Asset Management and Climate Change whilst also recognising the Council's willingness to support more employees to homework. This policy is derived from the Society of Personnel and Development Scotland's draft policy which was shared with all local authorities in Scotland. This draft policy includes input from the Council's Working Differently Group, with full research and benchmarking undertaken

in regard to best practice and guidance from professional and advisory bodies including CIPD, ACAS and XpertHR.

- 3.3 The **Worksmart Policy** outlines other flexible working options open to employees including part-time working, compressed hours and ad-hoc homeworking, and has been refreshed to make it more concise, remove outdated terminology and with a view to making it more transparent and user friendly for employees and managers. Previously, contractual homeworking was covered briefly within this policy but now it is proposed to have a specific policy to support homeworking.
- 3.4 The **Flexible Working Hours Policy** has been revised to complement the Homeworking and Worksmart policies, recognising that together, this trilogy of policies offers considerable scope for flexible working options and arrangements for employees. The flexitime arrangements outlined within confirm the parameters relating to flexitime credit, debit and leave, with a focus on health and wellbeing and managing working time.
- 3.5 Following formal engagement with Trade Union colleagues and full employee consultation on original draft policies, all feedback received has been reviewed and considered with each policy further revised following consideration by CMT. Details of the significant changes made following the formal consultation process to all three policies are attached within Appendix A.
- 3.6 In broad terms, the consultation response was welcoming and relatively supportive of proposals made in respect of both Homeworking and Worksmart and therefore the extent of changes made to the final policy proposals are relatively modest.
- 3.7 However, in respect of the Flexible Working Hours Policy, the original consultative draft proposals generated a significant degree of concern and objection expressed both directly by employees and UNISON especially with respect to suggested restrictions to the amount of “flexi-leave” that could be taken. Current limitations on the availability of robust management information relating to the uptake and management of flexitime have prevented reliable conclusions being drawn in terms of existing staff practices. However, it is hoped that ongoing development of the HR iTrent system and proposals for an electronic flexitime module will address this gap going forward and will enable more effective annual monitoring and better support future review of the Flexitime working practices within the Council.
- 3.8 Having listened and considered the feedback very carefully, and also recognising the limitations of currently available management information to evidence and inform policy change, the final proposals in respect of the Flexible Working hours Policy have been significantly amended, reverting much more closely to the existing policy.
- 3.9 We will continue to develop and provide ongoing managerial guidance to ensure consistent and fair application of the flexitime policy for those covered by the scheme and their co-workers.
- 3.10 In accordance with our established working practices all new/revised HR employee policies are subject to review at any time. Given the current and

near future operating context, i.e. new ways of working and delivery in accordance with other relevant council strategies, it is proposed that there be a review of each policy towards the end of the first year following implementation.

4 POLICY IMPLICATIONS

- 4.1 If approved by Council, the revised policies will be implemented through publication on the Intranet, provision of guidance and briefings for managers as required, supported with all employee communications via Inform and MyHR.
- 4.2 Together, these policies support progressive cultural change and new ways of working, and will go some way to meet key aims within corporate strategies including asset rationalisation and Climate Change.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subjects of this report has been through the Council's Integrated Impact Assessment process, which has not highlighted any significant negative impacts that have not been remedied.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – costs identified as a result of introduction of this policy would be in relation to the provision of the annual homeworkers allowance and workstation set up, i.e. chair and desk where a need is identified through robust risk assessment processes. However, it is anticipated these costs will be offset by a reduction of office workstations for homeworkers. No further significant costs have been identified as a result of introduction of these policies.
- 6.2 Human Resources – HR will implement the policies once formally approved and provide communications, briefings and training as required. Systems and processes via iTrent will be developed to record and report annually on flexitime. This will be done within existing resources.
- 6.3 Other - n/a

7 BACKGROUND PAPERS

- 7.1 **Appendix A** Post Consultation Changes to Policies
- 7.2 **Appendix B** Homeworking Policy
- 7.3 **Appendix C** Worksmart Policy
- 7.4 **Appendix D** Flexible Working Hours Policy

AUTHOR'S NAME	Jim Lamond Zoe McFadzean
DESIGNATION	Executive Director Council Support HR Business Partner
CONTACT INFO	01620 827278 01620 828772
DATE	14 June 2021

Post Consultation Changes to Policies

Homeworking Policy

- 1 The draft Homeworking Policy has been amended as follows:
- 2 The Section 1 'Introduction' has been streamlined, with a notable clarification made at point 1.3 regarding contractual homeworking thresholds in light of queries and feedback received. This now outlines that homeworkers are expected to normally work at least 80% of their contracted hours at home.
- 3 Further to consideration of costings associated with the provision of chairs and desks to contracted homeworkers, CMT agreed that "where, as part of the risk assessment process, homeworkers do not have their own suitable workstation at home, i.e. desk and chair that meets full H&S assessment criteria requirements, a chair and/or desk will be provided by the council."
- 4 The Introduction to the policy at Section 1 has been concisely revised to remove repetition of aspects outlined in the sections that follow.
- 5 Changes in formatting and text placement have been made throughout the policy, with repetition removed where possible and to enhance the flow of the policy e.g. Introduction, Measuring Success, Equipment and Technology and Employee and Manager Responsibilities sections.
- 6 Section 4 has been renamed from Homeworking Values to Homeworking Ethos.
- 7 Section 8 Keeping in Touch now includes 4 bullets taken from other Considerations section and is renamed Keeping in Touch – Communications and Meetings. Additionally 8.2 now outlines that in-person business meetings must not to be undertaken at home with exceptions relating to Absence and H&S policy processes.
- 8 Point 10 which covers manager and employee responsibilities has been made more concise.
- 9 Point 12.2 now outlines considerations where breakdown in internet connection occurs and the homeworker cannot reasonably get to their administrative base or alternative council office, i.e. "...the employee will need to discuss alternative non pc work options and/or leave arrangements with their line manager."
- 10 Section 19 has been renamed from Other Considerations to Carbon Footprint given transfer of 4 bullets previously in this section to the Keeping in Touch section.
- 11 Point 24.1 has been updated to clarify the rationale for the £156 sum paid by the council towards homeworking expenses and the 50% alignment with HMRC limits.
- 12 Further additions to the Homeworking policy on the basis of feedback received include:

- 13 Point 2.4 confirms that only one request per 12 months is permitted to align with the current and the consultative draft of the Worksmart policies.
- 14 Point 2.5 now outlines that all requests should be considered, discussed and responded to within 28 days of the request being made.
- 15 Point 2.9 outlines arrangements where homeworking arrangements may be withdrawn without notice.
- 16 Point 5.6 outlines the need for hours worked to be recorded and monitored.
- 17 Point 16.5 refers to home visits by a manager or H&S Specialist where exceptionally this is required as part of risk assessment arrangements.
- 18 Point 18.7 outlines the need for application via Worksmart in circumstances where employees wish to cease homeworking, the accommodation of which cannot be guaranteed.
- 19 Section 25 outlines the Appeals Process, which mirrors the consultative draft Worksmart Policy process.
- 20 HR will continue to liaise with colleagues in H&S, Asset Management and IT, along with engagement with the Working Differently Group to ensure practical support is in place for successful implementation of the policy.

Flexible Working Hours

The draft Flexible Working Hours Policy has been amended as follows:

- 21 The Policy now refers and therefore applies to SNCT (52 week contracted) employees being included as having access to the policy. This actually reflects working practice although technically the policy did not previously support this.
- 22 References throughout, to the 5 weekly settlement period have been removed and replaced with 4 weekly settlement periods, with calculations and references referring to periods of 140 and 148 hours respectively per period (for 35 and 37 hour week employees).
- 23 Point 2.4 has been amended to confirm that employees do not need to accrue hours in previous settlement period for flexi leave to be taken in the next period.
- 24 Point 2.6 has been updated to refer to rationale for the 10 hours maximum cap per day on flexitime working hours.
- 25 Section 3 'Scope' at 3.2 and 3.3 has been updated to reflect compressed hours employees can access all elements of this policy.
- 26 Section 12 is renamed as Misuse of Policy.

Worksmart Policy

- 27 The draft Worksmart Policy has been amended as follows:
- 28 Appendix 1, point 2.5 has been amended to mirror the Flexible Working Time policy reference to compressed workers having scope to access to all elements of the Flexitime policy.

- 29 Section 5 re. ad hoc Homeworking has been updated to confirm up to a maximum of 60% of contracted hours can be worked from home whilst being contracted to an office base.
- 30 The Flexible Working Request form (at page 15) has been updated to ask managers to confirm whether the Flexible Working Hours policy will apply to approved flexible working (Worksmart) requests.



Homeworking Policy

This policy outlines arrangements for Employees who are contracted to work from home

*Date Approved:

This is an East Lothian Council Policy which has been subject to consultation with the Joint Trades Unions. Any review or amendment by the council will be following consultation with the Trades Unions.

Policy Title	Homeworking Policy
Policy Section	HR Policies
Prepared By /Policy Author	Human Resources
Version Number	V 1.0
Equality Impact Assessment	Completed March 2021
Links to other Council Policies/ processes	Code of Conduct for Employees Policy Data Protection Policy Equal Opportunities Policy Flexible Working Hours Policy IT Acceptable Use Policy Information Security Policy Information and Records Management Policy Social Media Acceptable Use Policy The East Lothian Way Worksmart Policy
Corporate Strategy	East Lothian Council Plan 2017-2022 The Workforce Plan 2018 - 2022 Climate Change Strategy 2020 - 2025 Council Asset Strategy and Management Plan 2018-2023
Approved By	
Date Approved	
Review Date	
Date of next Review	
Policy Lead	HR Business Partner, HR & Payroll

CONTENTS

Section	Page
1 Introduction	5
2 Scope of Policy	5
3 Principles and Aims	6
4 Homeworking Ethos	7
5 Factors for Success	8
6 Measuring Success	8
7 Caring Responsibilities	9
8 Keeping in Touch - Communications & Meetings	9
9 Health & Wellbeing	10
10 Responsibilities	10
11 Technology and Equipment	11
12 Working Securely	12
13 Data Protection (GDPR)	13
14 Health & Safety Requirements	13
15 Display Screen Equipment (DSE) Assessment	14
16 Risk Assessment	14
17 Working Time	15
18 Important Terms and Conditions	15
19 Carbon Footprint	16
20 Insurance	16
21 Mortgage, Lease or Tenancy Agreements	16

CONTENTS

Section	Page
22 Moving Home	17
23 Planning Permission	17
24 Tax & HMRC	17
25 Appeals	17
26 Review	18
Appendixes	
Appendix 1 Homeworking Request Form	19
Appendix 2 H&S Risk Assessment Forms	24

1. Introduction
 - 1.1 **As part of the council's vision to embrace** cultural change and new ways of working to deliver the highest levels of service to our customers, the council aims to support contractual homeworking arrangements for employees wherever possible.
 - 1.2 Homeworking **forms part of the council's range of flexible working** policies and potential benefits include flexibility of working times; improved service delivery; increased productivity, motivation and morale; potential for employee retention and recruitment; reduced travel time and costs; savings on office space and servicing all of which help achieve the aims of the East Lothian Council Plan [here](#) , the Council Asset Strategy and Management Plan [here](#) and the Climate Change Strategy [here](#) .
 - 1.3 This policy outlines Homeworking as an ongoing contractual work arrangement whereby, normally **for at least 80% of the employee's contractual** hours, the **employee's home is their contractual** work base. All homeworkers will also have a designated administrative office base, although will not have a designated office desk or workspace. Access to shared office desks or workspace (e.g. hot-desking) will be available.
 - 1.4 This policy does not cover arrangements for ad hoc homeworking i.e. situations where an employee has a confirmed contractual office base but occasionally **works from home with their manager's permission**. These ad hoc homeworking arrangements are set out in the **council's** Worksmart policy.
2. Scope of Policy
 - 2.1 Contractual homeworking may be approved for full or part-time employees, at all grades, provided that full Health & Safety and homeworking assessments have been undertaken and all requirements are met **within the council's** budgetary constraints.
 - 2.2 It is recognised that contractual homeworking will not be suitable for all types of job roles and types of work undertaken by the council, e.g. remote/mobile workers where jobs are predominantly carried out in the field (e.g. visiting customers' **homes or businesses**) nor will it be suitable for every employee or within every home setting.
 - 2.3 The requirements of the role, employee health and wellbeing, needs of the service, impact on customers, service users and colleagues must all be considered by the line manager when assessing homeworking requests and arrangements with employees.
 - 2.4 In the spirit of fairness and equality of access, there is no minimum continuous service requirement for employees who wish to request homeworking arrangements under the terms of this policy. However, only one request every 12 months is permitted.

- 2.5 Contractual homeworking will normally be at the request of the employee. However, there may be circumstances whereby the line manager or the council may offer employees the opportunity for contractual homeworking to support new ways of working and achievement of corporate strategies. All requests should be considered, discussed and responded to by the manager within 28 days of the request being made.
- 2.6 To apply for homeworking, the Homeworking Request Form must be completed (see Appendix 1) along with H&S risk assessment forms as outlined in Section 16 and Appendix 2 below. The outcome of the risk assessment process will be a key consideration as to whether contractual homeworking arrangements can appropriately and safely be approved.
- 2.7 All contractual homeworking arrangements will be subject to a minimum of 3 month and maximum of 6 months trial period in the first instance to ensure delivery and performance meets service needs and working effectively for all parties.
- 2.8 The council reserves the right to withdraw homeworking arrangements at any time with the provision of a minimum of 12 **weeks' notice**.
- 2.9 Contractual homeworking arrangements will be reviewed regularly and may be withdrawn without notice in full discussion with the employee if it is demonstrated that:
- The performance of an employee suffers as a result of homeworking;
 - The effectiveness of the team in which the employee works is compromised;
 - The business needs are not being met;
 - There is a detrimental impact on work due to repeated failures in technology which cannot be resolved.

3. Principles & Aims

- 3.1 The principles and aims of this policy include:
- To contribute to the reduction of **the council's Carbon Footprint, improving** sustainability and meeting our commitment to becoming a net zero council.
 - To support the reduction of **the council's** property and asset bases for savings and efficiency purposes; reducing maintenance, operational and refurbishment costs.
 - To maximise IT capabilities and the use of digitised processes to enable new ways of working in delivering excellent services to our customers.
 - To support our employees to achieve flexibility, within and outwith work whilst making best use and of **the council's** assets, property and resources.

- To foster effective working relationships that build trust and support for employees to work remotely.
- To enable managers, through training and development/guidance, to manage and support employees to ensure effectiveness and productivity whilst working from home, encouraging positive health and wellbeing.
- To support homeworking arrangements as far as possible, whilst prioritising the needs of service users and providing customers and service users with continuously improving services.
- To ensure homeworkers are supported with ongoing personal and career development opportunities.

4. Homeworking Ethos

- 4.1 *Supporting flexibility for personal needs;* where, employees need to block time in their calendars during their working day to focus on pressing household **needs, that's acceptable, provided it is in their diary** with meetings and availability planned around it and it is reflected in a record of their working time.
- 4.2 *Supporting non-camera ready moments;* video calls are encouraged at all times and particularly helpful to connect with our colleagues, however if this is not possible on occasion due to home circumstances, then audio only is acceptable.
- 4.3 *Being kind and considerate;* as business meetings will take place in employees own homes, no adverse comments should be made about the surroundings or relating to family members.
- 4.4 *Setting boundaries and preventing video fatigue;* face to face meetings in person will not be expected to take place in the home; these should be conducted virtually, via the platforms made available by the council (e.g. Business Skype, Microsoft Teams etc.). Full or half day meetings should be avoided where practicable, with the recommended maximum unbroken duration being 1.5 hours. Where longer meetings are required regular comfort breaks are recommended for all participants.
- 4.5 *Know when to step away from your desk;* whilst all employees are required to work their contracted hours, employees are encouraged to be clear about when their working day begins and ends and to take breaks to refresh. When the working day is over it is important that employees switch off and rest.
- 4.6 *Taking care of ourselves;* employees are encouraged to take care of their physical and mental health, take regular breaks and exercise regularly (see section 9).

- 4.7 *Staying connected at work*; employees are encouraged to interact with co-workers via the virtual platforms made available by the council to stay in touch and feel connected (e.g. Business Skype, Microsoft Teams etc.).
5. Factors for Success
- 5.1 Homeworking requires employees to utilise a number of skills to work effectively from home including time management, self-motivation, self-discipline, ability to work independently, meeting performance goals within set timescales and effective communication skills, all of which will be assessed as part of any homeworking arrangement being considered.
- 5.2 Managers must put in place any additional arrangements as required to ensure that homeworking colleagues are fully supported professionally and personally to deliver goals and outcomes.
- 5.3 Mutual trust, understanding and accountability between the employee and their line manager is essential for homeworking to be successful. Demonstration of core values as outlined in the East Lothian Way [here](#) , including integrity, trustworthiness and honesty are essential.
- 5.4 **Contractual homeworking arrangements should, with the manager's approval,** support employees to work flexibly during their normal working day. For example, by staggering **their daily hours work pattern or 'signing off'** for agreed short period(s) during the working day to attend to domestic matters or undertake minor elements of carer responsibilities, where not routinely required. Section 7 below outlines further information relating to caring responsibilities.
- 5.5 Measures should be in place to record and monitor hours worked in line with service needs **and/or the council's Flexible Working** Hours policy (where applicable). These must comply with the requirements of the Working Time Regulations.
- 5.6 New recruits, or those employees returning from extended periods of leave e.g. maternity, secondment, long-term sickness etc. who are contracted to work from home will require a robust induction/re-orientation plan, including completion of all H&S risk assessments (see Appendix 2). Consideration should be given to including scheduled time in the office upon commencement or return to connect in person with colleagues. Further induction guidance for homeworkers is available for managers on the Intranet [here](#) .
6. Measuring Success
- 6.1 The effectiveness of any working arrangements, particularly homeworking, should be measured in terms of outputs including meeting customer needs, delivery of key objectives and effective communications and relationships. This ensures a common understanding of the required quality and quantity of work, how that will be produced and in what timeframe.

- 6.2 An assessment can then be made as to how well the homeworking arrangement is operating, allowing for any additional support and adjustments to be put in place. As with all council employees, the need for ongoing and proactive use of the council's Performance Review and Development (PRD) framework alongside planned, regular one-to-one meetings; support and supervision meetings are essential in agreeing goals and measuring the **employee's** outputs, ongoing performance and general wellbeing.
7. Caring Responsibilities
- 7.1 Homeworking must not be seen as an alternative to making the usual day care arrangements for childcare and dependant responsibilities. Any arrangements that an employee would normally require to have in place to enable them to attend an external workplace e.g. office/site must remain in place throughout the **homeworker's** hours of work. Carer responsibilities for short periods may be undertaken during the working day with the line manager's **permission, which** would require the homeworker to sign off and record non-working time (see section 5.4).
- 7.2 Employees requiring time off to undertake substantial carer responsibilities should request time off under the appropriate policy including Family leave, Special Leave, annual leave or other leave provisions as appropriate.
8. Keeping in Touch – Communications and Meetings
- 8.1 It is important to agree the methods and timing of communications between the homeworking employee and the line manager and/or colleagues in order to ensure that workflow is smooth, timescales are met and the employee does not feel isolated or cut off from the rest of the team.
- 8.2 A variety of communication methods might be used in line with the IT Acceptable Use and Data Protection policies (e.g. virtual calls and meetings, telephone, e-mail, text messages etc.). However, homeworking employees should be prepared with reasonable notice and as required, taking into account their home and administrative base locations, to attend face to face meetings or attend training/development courses i.e. within council offices/sites or externally as appropriate to their job role. In person business meetings at home should not take place with the possible exceptions relating to reasons of Health and Safety and/or health and wellbeing and absence management.
- 8.3 The council actively supports employees to ensure they are protected from harassment and abuse from **co-workers and service users. The council's** Domestic Abuse Workplace policy also outlines additional support available to our employees. Employees should discuss concerns in this regard with their manager or HR.
- 8.4 Line managers should be aware that misuse of communication tools, such as video-conferencing and instant messaging could facilitate forms of bullying, harassment and potentially sexual harassment. Line managers should therefore make every effort to ensure employees understand the conduct that is

acceptable over these forms of communication, in line with the council's Code of Conduct for Employees policy which can be found [here](#) and the East Lothian Way [here](#) .

- 8.5 All participants should behave appropriately and professionally during virtual meetings with covert recording, screenshots or photographing of the meeting and/or participants strictly prohibited for personal or business use, unless prior consent is provided by all participants.
- 8.6 Formal requests regarding any type of covert surveillance must be submitted and approved **in line with the Council's Regulation of Investigatory Powers** (Scotland) Act (RIPSA) Policy and associated procedures.
9. Health & Wellbeing
 - 9.1 It is recognised that homeworking can lead to loneliness and feelings of isolation if carried out for prolonged periods of time, which, if overlooked, can lead to feelings of stress and anxiety. Therefore, line managers play a key role in ensuring that they regularly check in with employees. Inclusion of a health and wellbeing goal or development of a Wellness Action Plan, which can be found [here](#) as part of the annual PRD process is encouraged to support this.
 - 9.2 Additional health and wellbeing support is available for all employees and **information can be found on the council's Well at Work page on the Intranet [here](#) with details of the council's Employee Assistance Programme available [here](#).** Your line manager and HR Adviser can also advise.
 - 9.3 Whether contractual homeworking is at the request of the employee or the manager/council, consideration must be given to the type of home environment employees will work in. Caring responsibilities, multigenerational households, space constraints and noise levels are just some of the considerations that need to be taken into account when reviewing the Homeworking Request Form (see Appendix 1) and carrying out the homeworking H&S risk assessments for every employee.
10. Responsibilities
 - 10.1 Key Responsibilities of Managers Include:
 - The health, safety and welfare of all employees as far as is reasonably practicable.
 - Regular communication and information sharing, one-to-one meetings and support and supervision meetings undertaken.
 - Robust annual Performance Review and Development processes, including provision of appropriate training and development.
 - All appropriate risk assessments are to be effectively carried out, putting in place appropriate controls and remedies as required and prior to homeworking commencing.
 - Seeking advice from Health and Safety and Human Resources to deal with problems identified in the risk assessment.

- Ensuring regular, appropriate contact to ensure that standards of health and safety are being maintained in line with risk assessment arrangements.
- Maintaining regular contact during the working week with homeworkers.
- Taking action or seeking advice to support homeworkers displaying symptoms or behaviours that may be indicative of physical health, mental health and/or wellbeing challenges.

10.2 Key Responsibilities of Homeworking Employees Include:

- To work in a way that aligns with our Code of Conduct for Employees which can be found [here](#), and uphold and demonstrate **the council's** values and behaviours as outlined in the East Lothian Way which can be found [here](#).
- To be contactable for service users, colleagues and customers during the working day; keeping electronic calendars up to date to show availability.
- To undertake all training and direction received and to actively engage in regular, robust support and supervision meetings and Performance Development and Review processes.
- To work in line with the Data Protection Act 2018 the General Data Protection Regulations; keeping confidential and secure all council information electronically or in hard copy; ensuring sensitive and confidential video calls/meetings and conversations cannot be overheard.
- To ensure that all council records are managed and stored in approved council systems. This applies to all recorded information created and received in the course of council business.
- In line with the Health and Safety at Work Act 1974, ensure health, safety and welfare of self and others whilst working at home, see section 14 below.
- To report any problems immediately to the line manager where unable to continue to follow the agreed homeworking arrangements, training and direction.
- Maintain regular contact with the line manager and colleagues.
- Follow all council policies and procedures under which all employees will be held accountable.

11. Technology and Equipment

11.1 Homeworking Technologies

- Employees should only use council-issued devices for homeworking. Use of personal devices is not permitted, except in exceptional circumstances and with the agreement of the Head of Service. Please refer to the **council's IT Acceptable Use and Information Security Policies** for more details.
- IT Services offer a number of evolving hardware and software solutions to support employees who are homeworking and already have suitable broadband connectivity at home. Full details can be discussed with your line manager and IT and include:
 - Accessing the full functionality of the corporate and schools networks, as required, over home broadband:

- Connecting a council laptop over direct access - this is available to all laptop users
- Video conferencing through **the council's approved** telecommunications systems for licenced employees
- All equipment provided must be used in accordance with instructions, safe methods and systems of working and must be returned at the end of employment, or at the end of the homeworking arrangement.
- Equipment provided by the council to homeworkers should only be used for work purposes by the employee and should not be used for household or personal purposes.

11.2 Workspace equipment

- The council is committed to providing employees with the necessary IT equipment to facilitate homeworking e.g. laptop, mouse, docking station, large screen, earphones etc.
- Where, as part of the risk assessment process, homeworkers do not have their own suitable workstation at home i.e. desk and chair that meets H&S assessment criteria requirements, a chair and/or desk will be provided by the council.
- Homeworkers should ensure that all provided equipment is well maintained.

11.3 Electrical Testing of Equipment

- All homeworkers must ensure that their council provided electrical and IT equipment is made available for PAT (portable appliance testing) as required.

12. Working Securely

- 12.1 Homeworkers will require access to the **council's networks when working from home** and it is the responsibility of the employee to provide and pay for a suitable internet connection.
- 12.2 In the event that the employee's internet connection ceases to work then the employee will be required to work from another suitable location, most likely the administrative base stated in the employment contract or alternative council office or site. Where this is not possible, the employee will need to discuss alternative non-pc work options and/or leave arrangements with their line manager.
- 12.3 In the event that there is a problem with **a homeworker's** council supplied hardware then the employee is responsible for reporting the fault to the IT Service Desk and may be required to take the hardware into the office to be fixed. Where it is not possible to fix the faulty equipment or immediately provide a suitable replacement the employee will be expected to work from the

administrative base stated in their contract or another agreed location, until such time as a working device can be provided.

- 12.4 Personal/home telephone numbers and/or contact details of homeworkers must not be given out to service users or members of the public for use relating to work and council business. Homeworkers requiring support to enable them to make calls via council devices and systems, should discuss this with their manager and contact the IT Service Desk.

13. Data Protection (GDPR)

- 13.1 Employees working from home must continue to actively observe the principles of the Data Protection Act and General Data Protection Regulations (GDPR). Changes in the way information is being processed and accessed introduces privacy risks to our service users and employees personal data.
- 13.2 Employees must consider the same kinds of security measures for homeworking that they would use in normal circumstances and make themselves aware of their responsibilities as outlined within the Data Protection Policy and Information and Records Management Policy. Further information can be found on the Intranet [here](#) and [here](#) respectively.
- 13.3 **It's essential that all data** breaches continue to be immediately reported to the Data Protection Officers mailbox at DPO@eastlothian.gov.uk or the IT Service Desk within 24 hours, as there is a requirement to report certain incidents to **the Information Commissioner within 72 hours. It's also important that** the council responds to requests for information from the public by following our Subject Access and Freedom of Information guidelines.

14. Health & Safety Requirements

- 14.1 All employees have a duty of care regarding their own health & safety and that of others, therefore must:
- Complete a Display Screen Equipment (DSE) personal work station assessment, **with their manager's support** (see 15.2 below).
 - Comply with all Health & Safety practices relating to their role and working environment.
 - Ensure that they follow all procedures related to their work activities.
 - Act in such a way as not to put themselves or anyone else affected by their work at home at risk (see 16.3).
 - Take reasonable care of their own safety and that of others and must co-operate with the council so far as necessary to enable them to meet their own obligations.
 - Ensure that they report all faults or hazards which may put them and others at risk.
 - Ensure that they report all accidents and near misses.
 - Notify their line manager should any musculoskeletal, health, or mental health and wellbeing issues arise during or as a result of homeworking.

15. Display Screen Equipment (DSE) Assessment
 - 15.1 Assessments will be required for all homeworkers who use display screen equipment. This must cover all display screen equipment used at their homeworking location for work purposes including the use of any portable devices used such as laptops.
 - 15.2 Homeworkers should complete the council's DSE Personal Assessment Form which can be found [here](#) and the DSE Workstation Assessment Form which can be found [here](#) . Further helpful information regarding DSE and homeworking can be found on the Health & Safety Executive site [here](#) .
 - 15.3 DSE Assessments may require photographs of workstation set up to be taken for review by local DSE Assessors.
16. Risk Assessment
 - 16.1 All Risk Assessments should be undertaken and discussed between the employee and line manager.
 - 16.2 The council is required to assess the risks of work activities carried out by homeworkers (see 14.1) including lone working in line with the Health & Safety Management Arrangements – Lone Working the form for which can be found by logging on to the Sphera system [here](#) .
 - 16.3 Employees who homework also have a duty to take reasonable care for their own health and safety and that of others. This includes other people in the home workplace such as family members, neighbours and visitors.
 - 16.4 Homeworkers must complete the H&S Assessment Checklist which can be found [here](#) and return this to their line manager for review and discussion.
 - 16.5 In some circumstances, a home visit by the manager or H&S specialist as part of the risk assessment process may be required and would be arranged in consultation with the employee.
 - 16.6 These risk assessments should be revisited as required, and should there be any changes to ongoing homeworking arrangements. These must always be signed off by both the employee and their line manager.
 - 16.7 The council is committed to its duty to fulfil the requirements of the Equality Act 2010. Where reasonable adjustments are already in place, e.g. at an employee's workstation, such as ergonomic and/or personalised equipment, that same help, support and protection shall be afforded to homeworkers.
 - 16.8 Additionally, line managers should consider whether further assessments are required via Sphera **Cloud, the council's Health and Safety Management System**. Further information on Sphera Cloud can be found [here](#) .

17. Working Time

- 17.1 For the purposes of health and wellbeing, it is essential that the limits of working time are established to ensure that employees do not work in excess of their maximum working hours, also that they take minimum work breaks as set out under the Working Time Regulations 1998. Working time should be recorded on the appropriate Flexi Recording Sheet [here](#) , or other appropriate record sheet.
- 17.2 A minimum break of 30 minutes must be taken by all employees who work more than 6 hours per day.
- 17.3 Line managers are required to make it very clear to their homeworking employees that employees are responsible for regulating their own working time and taking appropriate breaks.
- 17.4 Click [here](#) for further information on the Working Time Regulations 1998.

18. Important Terms and Conditions

- 18.1 The contract of employment for homeworkers, will reflect two bases; the **employee's** normal place of work i.e. their home address, and an administrative base i.e. the council office address which will be used for the purposes of business travel expense claims, any remote working/hot-desking as required and for any postal mail.
- 18.2 Employees whose normal place of work is at home, will be expected to attend council offices or other work settings from time to time as required (e.g. to attend work related and/or team meetings, training etc.).
- 18.3 In line with council policy, business journeys should be kept to a minimum and alternatives actively considered such as virtual meetings using IT platforms provided e.g. Business Skype, Microsoft Teams etc.
- 18.4 Travel expenses incurred for journeys from home to the designated administrative office base, where required, cannot be claimed as travelling expenses as this is regarded for tax purposes as personal commuting. Any additional costs of approved business journeys to other work locations will be reimbursed in line with relevant Council travel and subsistence policies; see [here](#) . Work bases are determined in relation to the place where the service and fixed based colleagues work from.
- 18.5 It is recognised that contractual homeworkers may incur additional one-off or ongoing household costs as a result of their contractual homeworking arrangements. Therefore, employees who are contracted to work from home can claim £156 tax free per year (pro-rata) directly from the council towards homeworking expenses. This will normally be paid in monthly instalments.

- 18.6 All homeworking arrangements must be regularly reviewed to ensure mutual benefit to the council, service users and the employee and arrangements may **be withdrawn with the provision of 12 weeks' notice** by the council (see 2.8).
- 18.7 Homeworkers who wish to cease contracted homeworking arrangements must make an application under **the council's Worksmart** policy for consideration, understanding that any such request may not be supported and reverting to or commencing office based working cannot be guaranteed.
- 18.8 Employees can make applications for contractual homeworking using the form in Appendix 1. All other flexible working requests e.g. compressed hours, part-time working or ad hoc homeworking etc. should be made via the Worksmart Policy, see [here](#) .
- 18.9 All other terms and conditions of employment as outlined in employment contracts remain unchanged by homeworking arrangements.
19. Carbon Footprint
- 19.1 The council encourages home workers to consider their home energy use and carbon footprint. The following links provide information on saving energy and reducing home energy costs, as well as additional ways to reduce your carbon footprint:
- [Home Energy Scotland](#)
 - [Net Zero Nation](#)
20. Insurance
- 20.1 Prior to commencing contractual homeworking, employees are advised to notify their household insurers for buildings and **contents, as it may be a 'material fact' that the insurers** need to know about their policy-holders working from home arrangement. Employees should make clear that they are homeworking and not running a business from home. Additional premiums may be incurred, but, in the main, this is unlikely. Any additional costs will be the responsibility of the employee.
- 20.2 Homeworkers will not be asked to insure any council equipment provided and must adhere at all times to the relevant guidance issued to ensure that council equipment and data is secure at all times. Damage to council equipment will **normally be covered by the council's own insurance**.
21. Mortgage, Lease or Tenancy Agreements
- 21.1 Homeworking sometimes has implications for mortgage, lease or tenancy agreements. In most cases there is no issue, however it is the **homeworker's** responsibility to check if there are any restrictions that might prevent them from working from home, prior to commencing homeworking.

22. Moving Home

- 22.1 Homeworkers must give advance notice to advise their line manager if they are moving home, due to the home address being named as the contracted place of employment. The line manager will then decide if the homeworking arrangement can continue from the new location subject to new risk assessments being satisfactorily completed.
- 22.2 Where agreement is reached to continue homeworking the employee is expected to take due care in moving and re-installing any equipment provided. Any costs connected with moving the equipment would be the responsibility of the employee.

23. Planning Permission

- 23.1 Planning permission may need to be considered by homeworkers in relation to working from home. There may be a planning condition imposed on the original planning permission for the property, which could prevent homeworking that the employee needs to check prior to commencing homeworking.
- 23.2 Otherwise, planning permission would only need to be sought if the change of use to working from home would change the overall character of the property e.g. a marked rise in traffic or people calling, or disturbance to neighbours at unreasonable hours. All of these situations are highly unlikely given the nature of council roles suitable for homeworking and where the guidance in this policy is adhered to.

24. Tax & HMRC

- 24.1 The council pays an annual amount equivalent to 50% of the HMRC maximum allowance for homeworkers which is currently £156 (pro rata for part-time employees) in recognition of homeworking expenses i.e. additional costs such as heating, lighting, home contents insurance or new broadband connection, which is non-taxable. This payment will be reviewed in line with any increases made by HMRC.
- 24.2 HMRC state the employees cannot claim tax relief if they choose to work from home. For further detailed information regarding homeworking and tax relief visit: <http://www.hmrc.gov.uk/incometax/relief-household.htm>.
- 24.3 Employees are advised to contact HMRC in regard to queries relating to their personal homeworking arrangements and tax implications.

25. Appeals Process

- 25.1 The employee may formally appeal against the Homeworking application decision in writing to their Head of Service within 14 days of receiving the notification of the decision from their manager. The reasons for any appeal should be clearly outlined.

- 25.2 A hearing will normally be convened within 14 days of the appeal being received. The Appeal Panel will normally consist of a manager more senior than the line manager who made the original decision and a member of the HR Team, neither of whom should have been involved in the original decision making.
- 25.3 The employee may be accompanied by a work colleague or Trade Union Representative at the hearing. The hearing will be chaired by Head of Service (or their nominated senior manager representative).
- 25.4 The final decision will be given in writing within 14 days of the appeal being heard. Following which, there will be no further right of appeal.

26. Review

- 26.1 This Policy is a formal council policy and may be reviewed by the council, in consultation with the Trade Unions, at any time and in the light of operational requirements.

Head of Corporate Support
June 2021



HOMEWORKING REQUEST FORM

This form should be completed by the employee and discussed fully with the line manager. **In line with the council's** Homeworking Policy full consideration will be given to each application and a response will be provided within 28 days.

Section 1 Employee Details			
Name		Job Title	
Payroll No.		Dept./Division	
Business Unit		Line Manager	
Weekly Hours		Temp or Perm	

Section 2 Employee Information (to be completed by employee)	
1.	<p>Describe how your job role, and ability to effectively deliver work performance goals would be suited to homeworking?</p> <p>Give examples of how you have ensured the following in your working day: time management, self-motivation, self-discipline, ability to work independently, meeting performance goals within set timescales and effective communication skills.</p> <p>How will you ensure your ongoing positive health and wellbeing whilst homeworking. Are there any underlying health and wellbeing concerns that you require support with e.g. reasonable adjustments? (Consider OH referral)</p>
2.	<p>What arrangements, if any, will you make to ensure that there are no competing demands on your home and work responsibilities?</p>

3.	Is there adequate/suitable/confidential space within the home office, which meets with health and safety standards for home-working? Please describe the space available.
4.	How will you have the ability to manage the technology required, on a day to day basis, and to deal with minor problems?
5.	Do you have a broadband connection at home? Does your broadband ever crash – if so, how often and for how long?
6.	Is there anyone else at home who will be accessing your broadband during your normal working hours, if so, how often and for how long?
7.	Your attendance may be required from time to time at Council Offices or other locations for essential interaction with colleagues, meetings or any training/development courses. Please indicate if there would be any difficulties in you being able to get to other work locations during your normal working hours within a reasonable journey time.

I wish to work my normal contracted hours and work pattern Yes/No *OR*
 I wish to request a change to my work pattern as follows:

Day	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
A.M.							
Total Hours							
P.M.							
Total Hours							

Section 3 Suitability of The Post/ Employee/Management Arrangements (to be completed by the line manager)	
1.	Is face to face contact with customers' core to the role? If so, can this face to face continue via homeworking? If not what arrangements could be put in place to ensure good service to customers?
2.	What impact would there be to the cost and/or level of service?
3.	Does this job have clearly defined areas of individual work – what are they?
4.	What type of sudden changes in priorities could apply to this job where homeworking would have an adverse impact on service provision?
5.	What objectives and measurable outputs have you or will you establish with the employee if the application is successful? Note Performance Review Development and regular support and supervision arrangements must be in place prior to homeworking being approved.
6.	What arrangements would be in place for providing supervision and guidance?
7.	Is information available electronically and can systems be remotely accessed whilst homeworking?
8.	If applicable, what arrangements would you make to enable access to physical resources that are necessary to perform duties, particularly where those resources are shared and/or confidential?
9.	Is the employee currently involved in any ongoing disciplinary proceedings, not yet concluded, relevant to their performance or conduct? If so please outline the key issues.
10.	Has the employee got any "live" disciplinary warnings on their personnel record? Please outline.
11.	What security and confidentiality issues have been considered, discussed and addressed with the employee (for both manual and computerised information and if relevant in relation to the GDPR, Data Protection Act and Freedom of Information Act)?
12.	What arrangements will be in place for the employee to record hours worked?
13.	What arrangements will be put in place for employees who live a significant distance from local authority offices should the homeworking arrangements break down e.g. broadband, electricity outage, etc.

14.	Have training needs been identified and arranged (e.g. homeworking induction; time management, communications), that should take place before the employee can undertake this role at home?
15.	Have you considered any non-office related responsibilities of the employee that need to be re-assigned, e.g. fire warden, first aider duties?
16.	Can you confirm that there is no overall increase in workload for any other colleagues as a result of the employee working from home?
17.	Have other team members been consulted with regard to the impact that a successful application would have for them/the service? What response did you receive?
18.	Would the Flexible Working Hours (Flexitime) Policy be applicable to this post if the homeworking application is approved?
Employee Declaration and Signature	
<p>I have fully read and understood the council's Homeworking Policy. I confirm my understanding that should my application for contractual homeworking be successful, this will be a permanent arrangement resulting in the issue of a variation of employment contract.</p> <p>I understand these homeworking arrangements may be subject to change (e.g. change of contractual base) by provision of 12 weeks' notice by the council or a successful application by me to cease contractual homeworking arrangements via the council's Worksmart Policy.</p> <p>Name: _____ Designation: _____</p> <p>Signed: _____ Date: _____</p>	
Application Recommended for Approval by Line Manager:	
YES/NO (please circle)	
<p>Name: _____ Designation: _____</p> <p>Signed: _____ Date: _____</p>	
Reasons for Decision:	

Application Approved by Service Manager:	
YES/NO (please circle)	
Name:	Designation:
Signed:	Date:
Reasons for Decision:	

*Line Managers must forward a copy of this signed form to Human Resources for retention on the **employee's** personal file.*

Where homeworking has been approved, a Change of Contract Form will also be required in advance of commencement of homeworking by the employee.

DRAFT

Health and Safety Information and Forms for Homeworkers

- **East Lothian Council's Health and Safety policy can be found [here](#)**
- Full access to all Health and Safety forms, guidance and information can be found [here](#)
- Access to Sphera Cloud - this can be accessed by managers via Sphera Cloud by logging on [here](#)

All other Health and Safety information, including guidance, forms and risk assessments can be found [here](#) including:

- (1) Health & Safety Management Arrangements – Display Screen Equipment: DSE Workstation Assessment Form is here [here](#)
- (2) Health & Safety Management Arrangements – Lone Working: Sphera this can be accessed by managers via Sphera Cloud by logging on [here](#)
- (3) Health & Safety Management Arrangements – Incident reporting and investigation [here](#)
- (3) Health & Safety Management Arrangements – Assessing risk [here](#)
- (4) Personal Assessment form [here](#)
- (5) Management Arrangements for DSE Equipment – [here](#)
- (6) H&S Induction Checklist for new (employees [here](#)



Worksmart

This policy applies to all Employees including Teachers and outlines a range of Flexible Working Options

*Date Approved:

This is an East Lothian Council Policy which has been subject to consultation with the Joint Trades Unions. Any review of amendment by the council will be following consultation with the Trades Unions.

Policy Title	Worksmart
Policy Section	HR Policies
Prepared By /Policy Author	Human Resources
Version Number	V 1.0
Equality Impact Assessment	Under development
Links to other Council Policies/ processes	Code of Conduct Policy Equal Opportunities Flexible Working Hours Policy Health and Safety legislation Homeworking Policy Managing Attendance Policy Recruitment and Selection Policy The East Lothian Way Working Time Regulations
Approved By	
Date Approved	
Review Date	
Date of next Review	
Policy Lead	HR Business Partner, HR & Payroll

CONTENTS

Section	Page
1 Introduction	4
2 Scope	4
3 Purpose and Aims	4
4 Legislation	5
5 Principles	5
6 Responsibilities	6
7 Requesting Flexible Working	7
8 Procedure	7
9 Appeal Process	8
10 Withdrawal of Application	9
10 Review of policy	9
Appendixes	
Appendix 1 Types of Flexible Working Arrangements	10
Appendix 2 Flexible Working Request - Considerations for Managers	13
Appendix 3 Flexible Working Request Form	14

1 Introduction

- 1.1 East Lothian Council recognises the mutual benefits of having a flexible, effective workforce to deliver the best services to our customers, whilst enabling employees to balance their personal, home and work responsibilities more effectively, with a view to achieving greater job satisfaction, motivation, morale and productivity.
- 1.2 This Policy, refers types of *contractual* flexible working arrangements regarding **a change to the employee's** work pattern, hours or location of work which is different from their existing one, appreciating that homeworking arrangements can be both contractual (see Homeworking Policy) and ad-hoc, non-contractual (see Worksmart Policy).
- 1.3 This Policy also refers to the concept of hot-desking. Hot-desking arrangements will be made available subject to local arrangements. Trade Union colleagues should be consulted as early as possible where service changes involve hot-desking arrangements being planned.
- 1.4 This policy outlines how the council will manage employee requests for flexibility in working arrangements, taking into account of the demands of the service, customer needs and job roles requirements and limitations.

2 Scope

- 2.1 This policy applies to all current and new council employees including those posts covered by the Scottish Negotiating Committee for Teachers, regardless of length of service, who, in line with the Flexible Working Regulations 2014, are entitled to make a written request to work flexibly, with only one request every 12 months permitted.
- 2.2 In the spirit of fairness and equality of access, there is no minimum continuous service requirement for employees who wish to request flexible working.
- 2.3 All approved arrangements will be reviewed as required to ensure the needs of the service continue to be met, **as well as the employee's**, and may be subject to change giving 12 **weeks' notice** either by the council or employee.

3 Purpose and Aims

- 3.1 The purpose of this policy is to outline the range of flexible working options aimed at retaining, attracting and supporting a skilled, effective workforce to deliver all East Lothian Council services.
- 3.2 The aims of this policy are to enable continuous improvement and promote new ways of working which align with the East Lothian Council Plan, the Asset Strategy and Management Plan and Climate Change strategy. For example reducing office accommodation costs through home working and hot-desking, which may also reduce travel and heating/lighting costs.

4 Legislation

- 4.1 Under the under the statutory right in the Employment Rights Act 1996 and Flexible Working Regulations (2014), all employees have a statutory right to request flexible working; not only those who are parents and carers.
- 4.2 Additional legislation relating to flexible working includes Health and Safety at Work Act 1974; Management of Health and Safety at Work Regulations 1999 (SI 1999/3242), Working Time Regulations 1998 (SI 1998/1833) and The Working Time Regulations 1998.

5 Principles

- 5.1 This policy will be applied fairly and transparently to all employees, and all requests fully and objectively considered in relation to the employee, colleagues and service users. The approach will focus on how services can be maintained or improved through the specific Worksmart arrangement requested, with due consideration given to the reason for the request.
- 5.2 All flexible working arrangements, can be approved on a temporary (e.g. 6 or 12 months) or permanent basis, and will be subject to a trial period of up to a maximum of 12 weeks.
- 5.3 There is no contractual entitlement for employees to have their request approved. Where however a request is approved, the agreed changes will **constitute a variation to the employee's contract of employment.**
- 5.4 The line manager will be responsible for deciding whether a request for Worksmart arrangements can be supported on a temporary or permanent **basis, taking into account such factors as the employee's role and performance, the line manager/supervisor's support, and the operational needs of the service.** If a permanent change cannot be supported, the line manager should consider if the request can be supported on a trial basis. If successful, this may subsequently be made permanent by agreement between the employee and line manager.
- 5.5 Any flexible working arrangement approved on a trial basis should not be extended beyond 12 weeks.
- 5.6 Any flexible working arrangement approved on a temporary basis should not be for a period of less than 12 weeks or more than 12 months, following which the employee will revert to previous contractual arrangements or have the temporary arrangement agreed on a permanent basis.
- 5.7 All individual Worksmart contract variations will be subject to review in light of changing operational service needs or if the working arrangement is becoming detrimental to service delivery. At such time, the council will reserve the right, following employee consultation and a minimum of **12 weeks' notice, to end the existing arrangement and may explore other possible working arrangements.**

5.8 Regular one to one supervision and support and Performance Review and Development arrangements must continue to be in place to ensure satisfactory work performance is maintained, employees are supported, and that appropriate training and development is undertaken.

6 Responsibilities

6.1 The *line manager* is responsible for:

6.1.1 Fostering a culture of trust in working relationships.

6.1.2 Fully, fairly and objectively considering all flexible working requests and seeking to accommodate employees wherever possible, subject to service provision requirements and implications for customers, department, team and co-workers.

6.1.3 Ensuring frank, open and honest discussion in relation to flexible working requests, to reach mutual understanding and beneficial solutions.

6.1.4 Considering alternative options which may provide some level of flexibility requested by the employee in cases where the original flexible working request cannot be justifiably supported.

6.1.5 Seeking approval from the Service Manager in relation to their decision to support or deny a request.

6.1.6 Providing a written response to the flexible working request within 12 weeks, providing a clear and detailed explanation of the reasons for the decision, whether approving or denying the request.

6.1.7 Ensuring robust management arrangements are in place for employees who work flexibly ensuring inclusion in communications, business and team meetings as required.

6.1.8 Advising employees of any difficulties arising from their Worksmart arrangements, so that these can be addressed.

6.2 The *employee* is responsible for:

6.2.1 Working with management to facilitate a culture of trust.

6.2.2 Outlining and discussing flexible working requests frankly, openly and honestly with their manager to reach mutual understanding and beneficial solutions.

6.2.3 Fully considering the implications of any flexible working request in relation to effective service provision and impact on their own and their team's performance.

- 6.2.4 Actively engaging in team, individual and corporate communications, regular one to one support and supervision meetings, Performance review and Development (insert PRD link) meetings and attending regular team and business meetings as required.
- 6.2.5 Advising their manager of any difficulties arising from their ongoing approved flexible working arrangement, so that these can be addressed and remedied.
- 6.2.6 Making themselves aware of the terms of this policy recognising flexible working arrangements may require to be amended/ withdrawn subject to the needs of the Service, and following full discussion and notice.

7 Requesting Flexible Working

- 7.1 All Requests for flexible working must be submitted in writing by the employee, by completing the Flexible Working Request Form at Appendix 3.
- 7.2 The line manager will be responsible for deciding whether a request for flexible working can be supported taking into account factors, as outlined in Appendix 2, including **requirements of the employee's job role**, employees performance within their role, supervision and support available by the line manager, impact on co-workers and service users and operational needs of the service.
- 7.3 All flexible working requests supported by the line manager will require to be formally approved by the Service Manager.
- 7.4 Employees have the right of appeal against the line **manager's decision**. Any appeal against a refusal to agree to a flexible working request will be to the Head of Service who may nominate another senior manager e.g. Service Manager or Head of Service not previously involved to hear the appeal on their behalf.
- 7.5 All individual contract variations made under the terms of this policy will also be subject to review in light a service review or changing operational service needs or where the flexible working arrangement is becoming detrimental to service delivery and the needs of the service.
- 7.6 At such time, the council will reserve the right, following discussion with the employee and up to a maximum of **12 weeks' notice, to end the existing** arrangement and to explore other possible working arrangements, which may involve the redeployment process.

8 Procedure

- 8.1 This procedure will apply to all employees requesting a flexible working arrangement. The specified timescales may only be varied by mutual agreement with both parties.

- 8.2 The employee will outline the request, in writing, completing the Flexible Working Request form attached at Appendix 3 and submit this to their line manager.
- 8.3 The line manager will arrange for the request to be initially discussed with the employee within 28 calendar days of receipt of the request; and concluded at this point, wherever practicable.
- 8.4 The Line Manager will provide a written response to a request within 14 days of the final meeting. This notification will advise: -
- 8.4.1 Support of the request or modifications (as discussed with the employee) along with details of the conditions attached to the offer of alternative working arrangements; or
- 8.4.2 Not supporting the request when the Line Manager will provide an explanation of the following business reasons for the request not being supported.
- These may include:
- o Burden of additional costs
 - o Detrimental effect on ability to meet service need and customer demand
 - o Inability to re-organise work among existing employees
 - o Detrimental impact on work colleagues
 - o Inability to recruit additional employees e.g. backfilling reduced hours
 - o Detrimental impact on work quality and/or performance
 - o Insufficiency of work during the period the employee proposes to work
 - o Proposed or planned structural changes (e.g. where a service review is about to commence)
- 8.5 There may be circumstances where a line manager requires more time in order to make a decision with regard to an application request e.g. where a service review is imminent or underway or where there are multiple requests or changes to staffing. Having been discussed and agreed with the employee, any delay will be confirmed in writing by the manager outlining the revised timescales for the decision and notification arrangements.
- 8.6 **Should an employee's request be refused**, by both the line manager and Service Manager, before progressing to formal appeal, the manager and employee can seek advice on resolving the matter from an appropriate member of the HR Team.
- 9 Appeal Process
- 9.1 The employee may formally appeal against the decision in writing to their Head of Service within calendar 14 days of receiving the notification of the

decision from their manager. The reasons for any appeal should be clearly outlined.

- 9.2 A hearing will normally be convened within 14 days of the appeal being received. The Appeal Panel will normally consist of a manager more senior than the service manager who made the original decision and a member of the HR Team, neither of whom should have been involved in the original decision making.
- 9.3 The employee may be accompanied by a work colleague or Trade Union Representative at the hearing. The hearing will be chaired by a Head of Service (or their nominated senior manager representative).
- 9.4 The final decision will be given in writing within 14 days of the appeal being heard. Following which, there will be no further right of appeal.

10 Withdrawal of Application

- 10.1 The council will treat an application as withdrawn if the employee has:
- Notified their line/service manager in writing that their application is being withdrawn;
 - Failed, without reasonable cause, to attend a meeting/Appeal Hearing convened under the procedure on more than one occasion; or
 - Refused, without reasonable cause, to provide information which the line manager considers necessary to assess whether the **employee's** request to work flexibly can be granted.
 - The line manager will confirm the withdrawal of the application in writing to the employee, unless the employee has provided written notice of the withdrawal.

11 Review of Policy

- 11.1 This is a Council Policy which is subject to review and amendment by the Council following consultation with the recognised Trade Unions.

Head of Corporate Support
June 2021

TYPES OF FLEXIBLE WORKING

1 Annualised Hours

- 1.1 Annualised hours refers to all contracted hours, full or part-time, being worked over a whole year rather than per week. The hours may be varied across 52 weeks of the year or hours may be reduced to zero in some weeks with additional hours worked in other weeks.
- 1.2 Salary will normally be paid in equal monthly or weekly payments by averaging the annual salary over the year, with annual and other forms of leave calculated on an annual basis, according to hours to be worked.
- 1.3 Approved overtime working would apply only once the contractual hours for that particular time period having been worked.
- 1.4 Should the employee leave the post held during the working year, their working hours, leave provision and other relevant conditions of service will be reconciled based on the actual hours worked during the period and any monies will be adjusted accordingly.

2 Compressed Hours

- 2.1 Compressed hours is defined as a working pattern that reallocates the normal weekly hours of work and 100% of the work activity into fewer, longer blocks of time, taking account of health and safety and Working Time Regulations.
- 2.2 **The nature of the employee's work activity, the operational** needs of the service and service users, the impact on other employees and the impact **on the employee's health, safety and wellbeing as a consequence of working** longer periods of time are all key considerations.
- 2.3 The pattern of work will be agreed by the Line Manager to meet the needs of the service and must not result in increased cost to the council in terms of allowances for unsocial hours, overtime payments etc.
- 2.4 Annual and other forms of leave will be calculated on the basis of hours/minutes to accommodate variations in the length of the working day and the number of days worked.
- 2.5 Employees working or seeking to work compressed hours may request to **work flexibly in accordance with the Council's Flexible Working Hours Policy** either at the time of application under the terms of this Policy or at a later date, by submitting an application under this Policy.

3 Variation in Hours

- 3.1 This arrangement adjusts the normal contractual hours of work and/or varies an existing work pattern (e.g. adjust the start/finish times), depending on the operational needs of the service, with costs of any

increase in working hours to be contained within the existing staffing budget.

3.2 Where contractual hours are reduced or **increased, the employee's salary,** terms and conditions e.g. annual and other types of leave and will be applied pro-rata from the date the revised working hours are implemented.

3.3 Employees working specific fixed hours as a result of an agreed variation in hours will not normally be eligible to participate in the [Flexible Working Hours Policy](#).

4 Part-time working

4.1 A part-time worker is someone who works fewer hours than a full-time worker. There is no specific number of hours that makes someone full or part-time, but a full-time worker within the council will usually be contracted to work 35 or 37 hours per week depending on terms and conditions of service. Part-time working hours vary substantially and these can be arranged into work patterns that suit service delivery needs.

4.2 All conditions of employment, including salary, annual and other forms of leave will be applied pro-rata dependent on the number of hours worked.

5 Contractual Homeworking

5.1 Contractual homeworking is a flexible working arrangement whereby employees have an employment contract stating home as their base of employment. It is a work arrangement whereby the employee conducts most of their work from home, recognising the need for occasional remote working at alternative council offices, work locations and the need to attend external meetings as required.

5.2 Contracted homeworkers do not therefore have a designated office desk or workspace, however may arrange access to shared office desks with the approval of their line manager.

5.2 The option to be contracted to work from home may be also confirmed at recruitment stage, and can be requested by the employee or suggested by the manager as part of new ways of working to align with the East Lothian Council Plan, the Asset Strategy and Management Plan and the Climate Change strategy.

5.3 The Homeworking policy, which outlines the process and arrangements specifically for *contracted* homeworkers can be found [*insert link here](#).

6 Ad-hoc Home Working

6.1 This non-contractual flexible working arrangement refers to employees who have a contracted office base however are authorised to work at home on an informal, ad hoc basis for periods of their contracted working hours, up to a maximum of 60% of their contracted working hours subject to agreement with the line manager.

- 6.2 This arrangement will require an initial H&S risk assessment, with homeworking being considered and agreed locally by the relevant line manager on a day by day or week to week basis, taking account of impact on colleagues and service delivery. No variation of employment contract will be required in relation **to the employee's contractual terms and conditions** of employment.
- 6.3 Employees who are supported by their line manager to undertake any ad hoc homeworking must all complete the Personal Assessment Form and return to their line manager prior to undertaking any ad hoc homeworking. The Personal Assessment form can be found [here](#)
- 6.4 Additionally, line managers should consider whether further assessments are required **via Sphera Cloud, the council's Health and Safety Management System**, for example lone working assessment. Further information re Sphera Cloud can be found [here](#)
- 7 Flexible Working Hours (Flexitime)
- 7.1 The Flexible Working Hours Policy [here](#) outlines Flexitime arrangements that provides flexibility by enabling eligible employees to vary their daily working hours and by allowing them, subject to the needs of the service and with the agreement of their line manager, to take time out of their normal working day to deal with personal matters.

Flexible Working Requests - Considerations for Managers

This list is not extensive but includes:

- 1 Service Users & Customer Factors (including other teams/sections, and service users)
 - Can customer service focused provisions be maintained or improved by implementing the requested flexible working arrangements?
 - Is customer demand tied to certain hours of the day?
 - Does the proposal fit with current and foreseeable needs of the service?

- 2 Employee Related Factors
 - Is work performance satisfactory, personal motivation to deliver under new arrangements, commitment, morale and productivity; initiative;
 - Time/workload management; communication, supervision arrangements and implications for monitoring of work performance;
 - Performance related issues previously discussed between employee and their manager; social isolation; lone working; reduction in travel time and or costs;
 - Requirement for on-the-job training;
 - Health, safety and wellbeing issues that may apply to the employee such as lone working, working pattern and length of work periods/rest breaks, suitability of work station.

- 3 Team Factors
 - Including morale and impact on other team members;
 - Productivity;
 - Whether sufficient team members are available at all times;
 - Requirement for regular joint working;
 - Requirement for regular informal supervision.

- 4 Job/Location Factors
 - Can all of the duties be performed effectively from the location/in the work pattern envisaged?
 - Are there information security issues, for electronic/non- electronic data?
 - Is access to specialist information/equipment/reference materials or significant face-to-face contact with colleagues or customers required?

- 5 Cost/Saving and Service Improvement Factors
 - Including those associated with ICT equipment; travel time/expenses; workplace properties;
 - Increased service availability to customers

- 6 Environmental Factors
 - Reductions in energy consumption, carbon footprint (e.g. through reduced travel).



FLEXIBLE WORKING REQUEST FORM

**Please Note:* As only one request every 12 months permitted, there should be at least 12 months between subsequent applications (see 2.1 above)

Full Name of Employee:	
Employee Number	
Job Title and Work Location	
Line Manager Name and Title	
Business Unit and Department	
Start date with East Lothian Council:	
Date request submitted:	
<p><i>Please give details of the following in support of your application:</i></p> <p>1. Your current work pattern/arrangement:</p>	
<p>2. The date on which you are requesting that the change take effect:</p>	

3. The benefits of this new working arrangement:
4. How any detrimental implications of this requested change could be mitigated:
5. Effects the changes requested may have on your Team /Department
6. The change being requested i.e. the pattern of working you wish to apply for:
7. How any such effect might be dealt with by your Business Unit/Department:
Statement of Line Manager (providing a clear and detailed reasons for the decision):
Where application supported: confirm whether the Flexible Working Hours (Flexitime) Policy will be applicable to the new arrangements:

Name of Employee: Designation: Signature of Employee: Date:	
Application Recommended to be supported by Line Manager	
YES/NO (please circle)	
Name:	Designation:
Signed:	Date:
Reasons for Decision:	
Application Approved by Service Manager:	
YES/NO (please circle)	
Name:	Designation:
Signed:	Date:
Reasons for Decision: <i>(Note: Written response to the employee is also required - see 6.1.6)</i>	

Line Managers must forward a copy of this signed form to Human Resources at hr@eastlothian.gov.uk for retention on the employee's file, along with a Change of Contract form, where a flexible working request has been supported and approved.



Flexible Working Hours Policy

This policy outlines Flexitime arrangements and applies to the Local Government Employee Group and relevant SNCT Associated Professionals

*Date Approved:

This is an East Lothian Council Policy which has been subject to consultation with employees and the Joint Trades Unions. Any review of amendment by the council will be following consultation with the Trades Unions.

Policy Title	Flexible Working Hours Policy
Policy Section	HR Policies
Prepared By /Policy Author	Human Resources
Version Number	V3 Draft
Equality Impact Assessment	
Links to other Council Policies/ processes	Worksmart Policy Homeworking Policy Management of Overtime Policy East Lothian Way Code of Conduct Disciplinary Procedure
Approved By	
Date Approved	
Review Date	
Date of next Review	
Policy Lead	HR Business Partner, HR & Payroll

CONTENTS

Section	Page
1 Introduction	4
2 Principles	4
3 Scope	5
4 Standard Working Hours	6
5 Hours of Work	6
6 Flexi-Leave	8
7 Other Authorised Absences	9
8 Overtime	9
9 Employees' Responsibilities	10
10 Line Managers' Responsibilities	11
11 Supervision	11
12 Misuse of the Policy	11
13 Young Workers	12
14 Appeals	12
15 Review	13

1. Introduction

- 1.1 East Lothian Council aims to put our customers at the heart of everything we do, whilst recognising that our employees have to manage the balance between work commitments, family responsibilities and lifestyle choices. The Council supports the principle of flexible working practices subject to service needs.
- 1.2 The Flexible Working Hours policy forms part of a range of flexible working policies e.g. Homeworking and Worksmart and the aim of this policy is to enable a more flexible approach day to day in delivering customer focused council services whilst balancing the personal needs of employees within and outwith work.
- 1.3 Managers are responsible for overseeing employees to ensure the delivery of services and therefore, to determine the working hours of employees on the basis of customer and business need; employees cannot dictate their own working hours and any employee requiring the additional flexibility afforded within this policy must get approval in advance.
- 1.4 Fair access in the application of this policy is dependent on the co-operation and goodwill of employees working together.
- 1.5 All employees are expected to consider the broader needs of the service, service users and the potential impact on colleagues when arranging working time adjustments under this policy, consulting with their colleagues and line manager as required.

2. Principles

- 2.1 Flexible working hours under the terms of this policy must support and enable delivery of key business objectives and outcomes which support all customers and service users.
- 2.2 Employees are generally expected to meet the requirements of their roles within their normal daily contracted hours wherever possible.
- 2.3 Employees should only accrue flexi credit whilst undertaking core work priorities and supporting customer needs.
- 2.4 Flexi-leave half or whole days can be requested by employees.

- 2.5 The opportunity to deviate from standard office hours and operate a pattern of flexible working hours across the extended bandwidth of working hours between 7am to 9pm will be determined by the appropriate line manager in line with needs of the service.
- 2.6 Under the terms of the Flexible Working Hours policy, for reasons of health, safety and wellbeing, accrual of flexitime working hours should normally be limited to 10 hours maximum per day, other than where exceptionally required.
- 2.7 Access to the flexi-time policy is not a contractual right for any employee and the line manager will be responsible for determining which posts may be eligible to operate under this policy.
- 2.8 It is recognised that not all roles will be suited to flexitime working due to the requirements of that role e.g. some front-line services or where specific work patterns are required.
3. Scope
- 3.1 This policy can be applied to eligible full and part-time employees, subject to the suitability of the job, post-holder and approval by the line manager.
- 3.2 Employees working or seeking to apply to work on a compressed hour's contract will also be eligible to request access to 'Flexitime' working under this Flexible Working Hours Policy. This would be done at the time of applying for compressed working under the council's Worksmart policy.
- 3.3 This policy will **not** normally apply to:
- Employees contracted to work hours outside the flexitime bandwidth of 7.00 am to 9.00 pm
 - Employees whose start and finish times are fixed for the purposes of service delivery e.g. employees in Customer Services, Refuse Collection, Teachers etc.
- 3.4 This policy supports flexibility of working time, including scope to take time out of the normal working day, therefore all routine appointments including Dental, Optician, Doctors' (excluding ante

natal appointments which fall within the maternity provisions) and those related to managing personal matters should be arranged in the employee's own time.

3.5 Where required and in order to meet the requirements of the service, Heads of Service, following consultations with Human Resources and Trade Union representatives, may implement temporary restrictions on the operation of the Policy or the temporary suspension of the Policy.

4. Standard Working Hours

4.1 Depending on the service, Standard Working Hours for full-time employees will normally be either 35 or 37 hours per week in line with employee handbook conditions. This will be pro rata for part time employees.

5. Hours of Work

5.1 Bandwidth

5.1.1 This is the maximum daily period during which employees may have their working hours recorded for the purposes of flexitime; the earliest starting being 7am and the latest finishing time 9.00pm.

5.2 Working Hours

5.2.1 Whilst the normal standard working day is determined within each service, e.g. 9am to 5pm for some office based employees, any recorded working hours for the purposes of flexitime can fall between 7.00am to 9.00pm, with working hours normally limited to 10 hours maximum per day under the Flexitime Scheme (see 2.6).

5.2.2 However, service managers are responsible for outlining any set core time periods necessary to ensure customer focused, service delivery requirements. Any set core hours should be approved by the Head of Service, following appropriate employee consultation.

5.2.3 Under the terms of this policy, employees are required to attend work on each of the working days where specified in their contract of employment or as agreed with line manager.

5.2.4 Employees are required to arrange their working times e.g. start and end times, in consultation with colleagues and their manager with

advance approval required from their line manager to take either a half or whole day flexi-leave.

5.3 Normal Working Day

5.3.1 Services to members of the public and all service users must be available throughout the normal working day. The time period that will be defined as the normal working day will be subject to local agreement to suit the specific service delivery requirements in each Section/Unit/Division.

5.3.2 Arrangements will be made, as appropriate, to ensure that staffing levels are maintained during the locally agreed service delivery times.

5.4 Breaks/Rest Periods

5.4.1 A minimum unpaid break of 30 minutes per day must be taken for full time employees and those working 6 hours or more per day. Where service delivery permits lunch breaks, these will normally be taken between 12.00 noon and 2.00pm and will not normally exceed 2 hours, but the timing and duration of lunch breaks may be varied in advance by agreement with the line manager and colleagues. Services may operate local arrangements.

5.4.2 In line with Working Time Regulations, a rest period of at least 11 hours must be taken between an employee's finishing time on one day and their starting time on the next day.

5.5 Settlement Period

5.5.1 A Flexitime settlement period is four weeks.

5.6. Credit Hours

5.6.1. Credit Hours are the number of hours worked in excess of the standard hours for the flexitime settlement period i.e. for full-time employees, more than 140 (148) hours. This will be pro-rata for part-time employees. The calculation will be as follows:

$$\frac{\text{Total contractual hours over four week settlement period}}{140 (148) \text{ hours}} \times 15 \text{ (max credit hours)}$$

5.6.2 A maximum credit balance of 15 hours may be carried forward to the next settlement period (pro-rata for part-time employees). Any

credit balance above 15 hours cannot be carried forward into the following flexitime period and will be lost.

5.7 Debit Hours

5.7.1 Debit Hours are the number of hours worked below the standard contracted hours for the settlement period i.e. for full-time employees, below 140 (148) hours. This will be pro-rata for part-time employees. The calculation will be as follows:

$$\frac{\text{Total contractual hours over four week settlement period}}{140 (148) \text{ hours}} \times 7 \text{ (max debit hours)}$$

5.7.2 A maximum debit balance of 7 hours (pro-rated for part-time employees) is allowed at the end of the settlement period.

5.7.3 An employee presenting any amount of debit balance for 3 consecutive settlement periods will normally be removed from the provisions of this Policy and placed on fixed hours of work.

5.7.4 Any debit of more than the maximum permitted amount of hours at the end of the settlement period will be regarded as unauthorised absence. This will normally result in use of annual leave entitlement or a deduction from salary in the following pay period and may lead to disciplinary action.

5.8 Credit/Debit Balances on Leaving

5.8.1. Upon leaving East Lothian Council, employees should ensure flexitime is managed as any credit balance will be forfeited, with debit balances resulting in deduction from the employee's final salary payment.

6. Flexi-Leave

6.1 Flexi leave must be requested and approved in advance of the leave being taken.

6.2 Line managers reserve the right to decline requests for flexi-leave, particularly for any working day that requires increased cover, this includes Fridays and Mondays.

6.3 During any one flexitime settlement period, flexi-leave may be authorised either as full or half days, up to a maximum of 2 days per

settlement period, pro-rata for part-time employees. This limit must not be exceeded under any circumstances.

- 6.4 Approval of a flexi-leave request is at the discretion of the line manager and subject to the needs of the service. Where possible five days' notice of requests would assist in managing services, however it is recognised that employees may ask for flexi-leave at short notice, which managers may authorise subject to service needs.
- 6.5 Flexi-leave will not be approved substantially (e.g. months) in advance of the half or full days requested as service requirements need to be assessed close to the time.
- 6.6 Circumstances may arise whereby annual leave requests for blocks of time will be given priority over flexi-leave requests.
- 6.7 Employees may apply to use flexi-leave to supplement or replace annual leave when booking holidays, subject to having sufficient flexi credit available.

7. Other Authorised Absences

7.1 The Policy allows for considerable flexibility and therefore employees are expected to plan and arrange **routine** personal appointments or business in their own time see 3.4 above. However, time credit will be given for the following, in line with council policies, which should be recorded on flexitime sheets:

- Annual Leave
- Public Holidays
- Sickness Absence
- Approved Special Leave including Maternity Leave, Maternity Support Leave/Paternity Leave, Parental Leave, Adoption Leave, Bereavement Leave, Leave for Illness of a Dependent, Hospital appointments
- Authorised Trade Union Duties
- Approved Time Off in Lieu of Additional Hours Worked
- Jury Duty
- Other authorised absences under council policies.

7.2 Time required to attend an approved learning/development activity, either in house or external, will be considered as working time and should be recorded accordingly. An employee may undertake their

normal duties before and/or after learning/development activities and record their total working hours for the day in the normal way.

8. Overtime

8.1 Hours worked during the course of the working week and recorded as flexi-time would not normally trigger overtime payments as working beyond contractual hours would have to be pre-authorised for overtime payments to be applicable.

8.2 Very exceptionally, however, circumstances may arise where particular working arrangements need to be applied e.g. where staffing levels in a team/service have fallen below minimum levels required to maintain services to an acceptable level or where short-term work demands require a substantial increase in staffing resources.

8.3 An employee with a debit flexitime balance must not be offered paid overtime until the debit is cleared.

8.4 Hours worked as overtime should be recorded separately on the normal Overtime Working Claim Form. Payment will be made in accordance with the employee's terms and conditions of employment.

8.5 Employees should refer to the Management of Overtime Policy, the terms of which apply to overtime working.

9. Employees' Responsibilities

9.1 Employees are responsible for managing their own time within the rules of this Policy and are required to co-operate with colleagues and their line manager to ensure that appropriate staffing levels and good team-working relationships are maintained at all times.

9.2 Employees must only accrue flexi credit time to deliver work priorities, avoiding unnecessarily accruing flexi credit hours.

9.3 Employees must ensure that they record their time accurately and honestly. This should be done on the standard Flexitime Recording form [here](#) then electronically on the MyHR portal once fully operational.

9.4 Employees must ensure they have the support of their supervisor/line manager and have consulted with colleagues to ensure relevant cover

etc. if varying their standard working hours e.g. a later start, an earlier finish, time away from work during normal working hours.

9.5 Employees must ensure that their line manager approves flexi-leave from work prior to taking the flexi-leave.

9.6 Travel to and from work is an employee's personal responsibility. In circumstances where an employee either arrives late or leaves early because of bad weather, public transport difficulties etc., credit will not normally be given, unless at the direction of the Head of Service/CMT, and actual starting/finishing times will be recorded.

9.7 Approved flexi credit may be applied where the council decides to close establishments, for example due to exceptional weather conditions. This arrangement would be confirmed by the line manager.

10. Line Managers' Responsibilities

10.1 Line Managers must ensure appropriate staffing levels are maintained to meet the needs of the service and ensure cover is available at all times to meet the demands of the service.

10.2 Line Managers must ensure fairness and consistency for all employees in relation to applying the benefits of the Policy, particularly in regard to consideration of flexi-leave requests.

10.3 Line Managers must monitor time recorded by employees and ensure that all employees are complying with the rules and obligations of the Policy.

10.4 Line Managers must ensure that all employees are made aware of the Policy.

11. Supervision

11.1 All employees participating in the Flexible Working Hours policy will have their records checked and signed off by their manager with records held by departments. Any discrepancies found will be investigated as required and appropriate action taken.

12. Misuse of the Policy

12.1 This Policy is based on mutual trust. Any misuses of the policy will be considered to be misconduct and will be treated as a disciplinary matter in accordance with the council's relevant Disciplinary Procedure.

12.2 The result of any such proceedings may result in withdrawal of the employee from the policy, either temporarily or permanently, or further disciplinary action up to and including consideration for dismissal.

12.3 Examples of misuse of the policy may include:

- Not adhering to times agreed with line management for attending work.
- Building up credit during periods when there is little or no work required or available.
- Being present at work and not being productive.
- Taking flexi-leave without prior approval

13. Young Workers

13.1 This refers to someone above the minimum school leaving age but below the age of 18 years. In order to ensure compliance with the Working Time Regulations, a Young Worker may not ordinarily work more than 8 hours per day and 40 hours per week. These hours cannot be averaged out and there is no opt-out available.

13.2 A Young Worker must also have 30 min break after a 4.5 hour period and have a minimum rest break of 12 hours between consecutive days of work.

13.3 Line managers must ensure that these provisions are applied to any Young Worker.

14. Appeals

14.1 Employees have the right of appeal should they wish to appeal a decision to withhold or withdraw participation in the Policy. The following procedure will be followed:

- An employee may lodge an appeal with the Head of Service within 14 days of the date on which the manager's decision is given;

- The appeal must be in writing, set out grounds of the appeal, and be dated;
- The Head of Service, or nominated senior officer, will aim to hear the appeal within 14 days of the date of the employee lodging the appeal.

15. Review

15.1 This Policy is a formal council policy and may be reviewed by the council, in consultation with the Trade Unions, at any time and in the light of operational requirements.

Head of Corporate Support
June 2021

DRAFT

REPORT TO: East Lothian Council
MEETING DATE: 22 June 2021
BY: Executive Director for Council Resources
SUBJECT: Appointments to East Lothian Licensing Forum

10

1 PURPOSE

- 1.1 To seek approval of the appointment of proposed new members of East Lothian Licensing Forum (the Forum) and for any future decisions on membership of the Forum to be delegated to Council officers.

2 RECOMMENDATIONS

- 2.1 The Council approves the appointments to the Forum as outlined at section 3.3.
- 2.2 The Council approves that future Forum appointments and non-voluntary terminations be delegated to the Head of Council Support as detailed at section 3.4.

3 BACKGROUND

- 3.1 East Lothian Licensing Forum has been established in accordance with the Licensing (Scotland) Act 2005 (the Act) and the Act sets out the way that the Forum must operate.

The Forum is a separate entity from East Lothian Licensing Board and supports and promotes the licensing objectives outlined in the Act. The Membership of the Forum must be between five and 21 members. The Act states that members must be appointed to the Forum by the relevant Council.

The Forum membership recently dropped to only eight members and there is a desire to increase membership to both regenerate the work of the Forum and to champion the Licensed Trade in East Lothian.

- 3.2 Operating procedures for the Forum have recently been modernised by the Council (who provide administrative support to the Forum) and a Scheme of Administration has been introduced covering matters such as membership applications, attendance at meetings, appointment of office bearers, and non-voluntary termination of membership.
- 3.3 Membership applications are assessed by a recruitment panel of Council officers. The panel members are currently the Service Manger – Legal, the Service Manager – People and Governance, and the Team Manager – Democratic and Licensing. Two individuals have applied for Forum membership recently and have been assessed as meeting the membership criteria and have evidenced background experience that would make them very suitable Forum members. Both individuals hold liquor licences from East Lothian Council. They are:
- Graham Blaikie, Designated Premise Manager at the Mercat Grill, Whitecraig
 - Arindam Podder, Designated Premise Manager, Queen Margaret University (sports and student union building)
- 3.4 Approval is sought for all future decisions on membership of the Forum to be delegated to the Head of Council Support. However, as this post is currently vacant with post-holder taking up the role on 1 July 2021, a temporary interim delegation is sought in favour of the Service Manager – People and Governance in order that the appointment letters for the two applicants at section 3.3, if approved by Council, can be issued straight away following the meeting of Council.

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 Licensing Forum Scheme of Administration

AUTHOR'S NAME	Jill Totney
DESIGNATION	Team Manager – Democratic and Licensing
CONTACT INFO	jtotney@eastlothian.gov.uk
DATE	4 June 2021

REPORT TO: East Lothian Council
MEETING DATE: 22 June 2021
BY: Executive Director for Council Resources
SUBJECT: Summer Recess Arrangements 2021

11

1 PURPOSE

- 1.1 To advise Members of the arrangements for dealing with Council business during the summer recess 2021.

2 RECOMMENDATIONS

Council is requested to:

- 2.1 Approve the application of the recess business arrangements, in accordance with Standing Order 15.6, effective from the close of this meeting until the Council meeting of 24 August 2021 (outlined at Section 3.1); and
- 2.2 Note that a summary of business carried out during the recess period will be brought to the Council meeting of 24 August 2021, and that copies of all reports approved during the recess period will be lodged in the Members' Library.

3 BACKGROUND

- 3.1 Rule 15.6 of the Council's Standing Orders states that:

Between the last scheduled Council meeting 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.

- 3.2 It is advised that a report outlining the business that has occurred over the recess period and that has required the application of Rule 15.6 will be brought to the Council meeting of 24 August 2021 for noting.
- 3.3 Business dealt with under delegated powers and submitted to the Members' Library will continue to be processed using the normal procedures.

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

AUTHOR'S NAME	Lel Gillingwater
DESIGNATION	Team Manager – Democratic and Licensing
CONTACT INFO	lgillingwater@eastlothian.gov.uk
DATE	7 June 2021

REPORT TO: East Lothian Council

MEETING DATE: 22 June 2021

BY: Executive Director for Council Resources

SUBJECT: Granting the Freedom of East Lothian to Josh Taylor

12

1 PURPOSE

- 1.1 To seek the Council's agreement to grant the Freedom of East Lothian to Josh Taylor.

2 RECOMMENDATIONS

- 2.1 That on the nomination of the Provost, seconded by the Leader of the Council, East Lothian Council resolves to present the award of the Freedom of East Lothian to honour the sporting achievements of Josh Taylor, undisputed light-welterweight champion of the world.
- 2.2 To instruct officials to make the necessary arrangements for a Freedom of East Lothian Presentation Ceremony, as soon as practicable.
- 2.3 To delegate authority to the Chief Executive in consultation with the Provost and Leader of the Council to approve detailed proposals, these to be the subject of a final report to the Members Library.

3 BACKGROUND

- 3.1 Local Authorities may award the freedom of their area in terms of the Local Government (Scotland) Act 1973. The freedom is now awarded as a mark of respect, although historically it once offered certain rights and rights to the 'freeman'. In 2004, East Lothian Council granted the Freedom of East Lothian to the world-renowned artist John Bellany from Port Seton, and in 2009 to Catriona Matthew, Women's Open Golf Champion from North Berwick. In 2012, The Royal Scots Borderers, 1st Battalion The Royal Regiment of Scotland – or 1 SCOTS – was granted the Freedom of East Lothian and in May 2019 it was also granted to Lothians and Border Yeomanry.

- 3.2 Under the terms of the Local Government (Scotland) Act 1973, Section 206 – ‘Admission of Honorary Freemen’, the Council has the following powers in respect of granting the Freedom of East Lothian: A local authority may, by resolution passed by not less than two-thirds of the members voting thereon at a meeting of the authority the notice of which specifies the proposed admission as an item of business, admit to be honorary freemen of their area persons of distinction and any persons who have rendered eminent service to their area.
- 3.3 Under this legislation, an officer designated for the purpose by the local authority shall keep a roll containing the names of persons admitted to be freemen under this section. In East Lothian Council’s Scheme of Delegation, the Executive Director for Council Resources currently holds this responsibility.
- 3.4 Josh Taylor was born and brought up in Prestonpans where he attended St.Gabriel’s RC Primary School, followed by Preston Lodge High School. He is a professional boxer and last month became the undisputed light-welterweight champion of the world. He has held the World Boxing Association, International Boxing Federation, and Ring magazine titles since 2019 and the World Boxing Council and World Boxing Organisation titles since May 2021. He held the Commonwealth light-welterweight title from 2016 to 2017, and as an amateur, he won a silver medal at the 2012 London Olympics and gold medal at the Glasgow 2014 Commonwealth Games. Josh Taylor is now only the second Scotsman to be an undisputed champion after Ken Buchanan and is the first British fighter to become an undisputed world champion in the “four-belt era” and only the fifth man in the world to achieve this status.

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 costs of any Presentation Ceremony will be met from the Council’s Civic Hospitality budget for 2021/22
- 6.2 Personnel - None
- 6.3 Other - None

7 BACKGROUND PAPERS

- 7.1 Approved Scheme for the Award of the Freedom of East Lothian – East Lothian Council, January 2005

AUTHOR'S NAME	Kirstie MacNeill
DESIGNATION	Service Manager – People and Governance
CONTACT INFO	kmacneill@eastlothian.gov.uk 01620 827164
DATE	31 May 2021

REPORT TO: East Lothian Council

MEETING DATE: 22 June 2021

BY: Executive Director for Council Resources

SUBJECT: Submissions to the Members' Library Service,
10 April – 7 June 2021

13

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 10 April and 7 June 2021, 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 officers in conjunction with Councillors, or
 - (b) background papers linked to specific committee reports.
- 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

AUTHOR'S NAME	Lel Gillingwater
DESIGNATION	Team Manager - Democratic & Licensing
CONTACT INFO	lgillingwater@eastlothian.gov.uk
DATE	7 June 2021

**MEMBERS' LIBRARY SERVICE RECORD FOR THE PERIOD
10 April – 7 June 2021**

Reference	Originator	Document Title	Access
45/21	Head of Infrastructure	ESESCR Deal – Bus Partnership Fund	Public
46/21	Executive Director for Council Resources	Staffing Report for the Creation of a New Senior Support Plan Broker Post	Private
47/21	Executive Director for Council Resources	Bad Debt and Credit Balance Write Offs	Public
48/21	Executive Director for Council Resources	Staffing Report – Inclusion and Wellbeing Service – Research Assistant	Private
49/21	Head of Infrastructure	Building Warrants Issued Under Delegated Powers – March 2021	Public
50/21	Head of Infrastructure	Building Warrants Issued Under Delegated Powers – April 2021	Public
51/21	Executive Director for Council Resources	Changes to Establishment – April 2021	Private
52/21	Head of Infrastructure	Grant of Servitude Rights to Lay Gas Pipe at Hercus Loan, Musselburgh	Private
53/21	Executive Director for Council Resources	East Lothian Council COVID 19 Recovery and Renewal Framework Document, Version 1.7	Public
54/21	Executive Director for Council Resources	Staffing Report for the Creation of Two Systems Development Officer – Transformation Posts	Public
55/21	Executive Director for Council Resources	Staffing Report for the Creation of a Digital Learning Support Officer Post	Private
56/21	Head of Communities and Partnerships	Funding for Communities – 2021/22	Public
57/21	Executive Director for Council Resources	Quarterly Customer Feedback Reporting – Q4	Public
58/21	Executive Director for Place	Housing First for Women	Public
59/21	Executive Director for Place	Proposed Regeneration of Preston Tower, Prestonpans	Public
60/21	Executive Director for Place	Proposed Regeneration of Prestonpans War Memorial, Prestonpans	Public
61/21	Executive Director for Council Resources	Changes to Establishment – May 2021	Private
62/21	Executive Director for Council Resources	Staffing Report – Creation of 3 Temporary IT Support Technicians	Private
63/21	Executive Director for Place	Consultation Draft Regional Prosperity Framework	Public

7 June 2021

