



MINUTES OF THE MEETING OF THE CABINET

**WEDNESDAY 26 JANUARY 2022
VIA DIGITAL MEETING FACILITY**

Committee Members Present:

Councillor S Akhtar
Councillor F Dugdale
Councillor N Hampshire (Convener)
Councillor J McMillan

Other Councillors Present:

Councillor L Bruce
Councillor J Findlay
Councillor F O'Donnell

Council Officials Present:

Mrs M Patterson, Chief Executive
Ms L Brown, Executive Director for Education and Children's Services
Ms S Fortune, Executive Director for Council Resources
Ms A MacDonald, Director of Health and Social Care
Mr D Proudfoot, Executive Director of Place
Ms F Ferguson, Head of Corporate Support
Ms N McDowell, Head of Education
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 R Crichton, Committees Officer
Mr C Grilli, Service Manager – Governance
Mr S Cooper, Team Manager – Communications
Mr K Dingwall, Service Manager – Planning
Mr D Henderson, Finance Manager – Service Accounting
Ms H Lundstrom, Sustainability and Climate Change Officer
Ms J Mackay, Senior Communications Adviser
Mr D Ogilvie, Service Manager – Housing Strategy and Development
Ms R Pringle, Team Manager – Housing Strategy

Clerk:

Mrs L Gillingwater

Apologies:

Councillor J Goodfellow

Declarations of Interest:

None

1. MINUTES FOR APPROVAL – CABINET 9 NOVEMBER 2021

The minutes of the meeting of the Cabinet of 9 November 2021 were approved.

2. CLIMATE CHANGE STRATEGY ANNUAL UPDATE

A report was submitted by the Executive Director of Place providing the second annual update to Cabinet on progress with delivering the actions and commitments in East Lothian Council's Climate Change Strategy 2020-25.

Keith Dingwall, Service Manager – Planning, presented the report, advising that this area of work was now situated within the Planning Service, and that Hanna Lundstrom was the lead officer for sustainability and climate change. He summarised the key points in the report, including: progress made as regards reducing the Council's carbon footprint (a reduction of 6.4% since last year, and 34% since 2014/15); the introduction of new ways of working for Council staff; measures included in National Planning Framework 4 which would be embedded in the Local Development Plan; the increase in electric vehicle charging points; central heating and insulation upgrades in Council homes; and the introduction of a new kerbside recycling service in November 2021. He did, however, point out that it would be difficult to achieve net zero carbon, with COVID-19 causing delays with a number of projects, and the scale of development ongoing in East Lothian.

Councillor Akhtar requested an update on the new kerbside recycling collection arrangements. Tom Reid, Head of Infrastructure, advised that there had been some teething problems (mainly relating to the ability to recruit drivers and crew), but that the new arrangements were now working well and he was delighted with the progress that had been made. He pointed out that 54,000 domestic properties now had a weekly collection service, and that the quality of materials being collected was very high, with very low levels of contamination. He hoped to be able to provide Members with some performance statistics towards the end of the financial year, but noted that the number of complaints about the new service was low and that any problems reported had been resolved quickly.

In response to a question from Councillor O'Donnell on community-based initiatives to tackle climate change, Mr Dingwall noted that there were a lot of ideas coming forward from the community, and that Hanna Lundstrom (Sustainability and Climate Change Officer) would make contact with these groups to discuss their ideas.

Councillor O'Donnell also sought information on action being taken to address coastal erosion. Mr Reid reported that the Council had received funding from the Scottish Government to monitor coastal erosion and that some measures had been put in place around Dunbar. The Countryside Ranger Service was also recording any changes and providing information that may be used to identify areas at risk. He noted that providing nature-based solutions was the preferred way forward where possible. He also referenced the flood prevention scheme in Musselburgh as the major intervention under consideration.

Councillor Dugdale asked what the Council was doing to reduce the use of single-use plastics, especially in schools. Mr Reid advised that plastic straws and cutlery was being phased out, and that officers were also looking at ways of reducing the amount of plastic drink holders. He noted that some school pupils had launched a campaign against single-use drink bottles, and that bottled water now only being provided where requested. Nicola McDowell, Head of Education, added that most schools were involved in the Eco-Schools initiative, which encouraged pupils to bring forward ideas to reduce the use of plastics.

On a question on the 'circular economy' from Councillor McMillan, Mr Reid provided an example whereby under the new recycling system, glass could be delivered to a local manufacturer who would treat it and convert it into filters that turned dirty water into drinking water. He also indicated that the recycling service had been modelled based on the potential impact of the deposit return scheme being introduced in Scotland.

Councillor McMillan opened the debate by thanking Jennifer Lothian for her contribution to the Council's climate change work, and welcoming Ms Lundstrom to her new post. He also paid tribute to the Council's partners and community groups for their efforts to tackle climate change. He welcomed the plan and the Council's commitment to tackling climate change, highlighting the various Council initiatives underway, in particular the projects at Queen Margaret University, Blindwells and Cockenzie. He also made reference to the Council's involvement with COP26 and the Queen's Green Canopy.

Councillor Akhtar stressed the importance of protecting the environment. She welcomed the officers' comments on the new recycling arrangements and reducing single-use plastics, and looked forward to further updates on these issues. She also made reference to a number of community-based initiatives to tackle climate change, as well as the work of the Area Partnerships in supporting cycling and path network projects, noting that more than 1000 school pupils had participated in the Bikeability scheme last year. She accepted that there was more to be done to address climate change, but was reassured by the Strategy and the work currently in progress.

Councillor Dugdale praised the work done by the Council, its partners and community groups for continuing to deliver the aims of the Strategy during the pandemic. She welcomed the efforts within schools to reduce the use of single-use plastic.

Concluding the debate, Councillor Hampshire described the 6.4% reduction in the carbon footprint over the past year as a huge achievement. However, he stressed the need to look at the baseline relative to growth in East Lothian. He praised the progress made with kerbside recycling, commenting that the volume of general [non-recyclable] waste was reducing. On electric vehicle charging, he advised that the Council now had an experienced officer dedicated to this project. As regards coastal protection, he highlighted a project in Dunbar which had resulted in hundreds of tonnes of sand being returned to the beach thereby reducing the impact on the sea wall. He was supportive of identifying natural solutions to protect the coastline. Thanking officers for their work in this area, he commented that addressing the effects of climate change would become more difficult in future.

Decision

The Cabinet agreed, by roll call vote:

- i. to note the progress made across Council service areas during 2021 to tackle the climate emergency locally and deliver actions in the East Lothian Council Climate Change Strategy 2020-25, despite the significant challenges of COVID-19;
- ii. to approve the updates to the Climate Change Strategy Action Plan, as set out in Appendix 2 to the report and summaries in Sections 3.30-3.33; and
- iii. to note the Key Projects and Achievements, and Key Risks, as set out in the report, delivered by members of the Climate Change Planning and Monitoring Group.

3. PROPOSED DEVELOPMENT OF THE NEXT LOCAL HOUSING STRATEGY (LHS) 2023-28

A report was submitted by the Executive Director of Place providing an update on progress on the delivery of actions within the LHS 2018-23; providing an update on relevant changes to the national policy and planning context for the development and delivery of the East Lothian LHS; and outlining the project plan for the development of the next LHS 2023-28.

David Ogilvie, Service Manager – Housing Strategy, presented the report, advising of the statutory requirement for the Council to produce a Local Housing Strategy, and the opportunity to align the next LHS with the Local Development Plan (LDP). He drew attention to the key aspects of the report, including the objectives of the LHS; the impact of COVID-19 on the delivery of the LHS; the introduction of Rapid Rehousing Transition Plans; the requirement for consideration of specialist provision requirements; and the requirement to take account of issues such as climate change and fuel poverty as part of the LHS. He alluded to the Scottish Government's priorities within its 'Housing to 2040' framework, and also provided an update on progress with the current LHS, which included the delivery of 279 affordable housing units during 2019/20, as well as 40 units of accommodation for people with care needs. As regards the LHS 2023-28, he drew attention to the project brief (attached at Appendix 2 to the report) and the key timelines for development and submission of the strategy.

Councillor Akhtar asked questions in relation to the provision of housing for key workers and for people with dementia. Rebecca Pringle, Team Manager – Housing Strategy, advised that housing for key workers was a significant policy area, and that the Council was working with the Health and Social Care Partnership on recruitment and retention of key workers. She noted that teachers were also struggling to afford property in East Lothian. On the issue of dementia, the Health and Social Care Partnership would be bringing forward a strategy, which would include housing; the LHS would also link with the Dementia Strategy. She added that there was a move away from specific provision for dementia, with provision to be made for people with a variety of needs.

In response to a question from Councillor Findlay on the Town Centre Regeneration Strategy, Douglas Proudfoot, Executive Director for Place, pointed out that COVID-19 had had a significant impact on this area of work. He noted that the LDP1 policies were still in place, but that the pandemic had provided an opportunity to take a different approach, with a stronger focus on climate change. He stated that the town centre work would be embedded within the Economic Development Strategy and LDP2, and also link with national strategy. Michaela Sullivan, Head of Development, added that the Economic Development Strategy would be the next major area of focus for her team, and that town centre regeneration would feature strongly in that strategy.

Councillor McMillan asked what could be done to help alleviate the impact of rising fuel costs, and also about engagement with stakeholders to deliver 'Housing to 2040'. Mr Ogilvie advised that the Council had an energy advice contract in place to assist residents, noting that this would be publicised more widely. On the delivery of 'Housing to 2040', Ms Pringle explained that there was a consultation and engagement plan in place, which would involve a wide range of stakeholders, including housing developers. Councillor McMillan welcomed the report and the 'Housing to 2040' vision, and was reassured that consultation and engagement plans were in place.

Councillor Hampshire commended officers on their work, and welcomed the link between the LHS and the LDP, which would allow the Council to deliver the types of housing required to meet demand, especially as regards extra care housing.

Councillor Akhtar concluded the debate by highlighting the pressures on the Council and the Health and Social Partnership as a result of COVID-19 and Brexit. She appreciated the continued partnership working as regards key workers and people with dementia.

Decision

The Cabinet agreed, by roll call vote:

- i. to approve the development of the next LHS 2023-28;
- ii. to note the progress which has been made to date to deliver the actions set out in the 2018-23 LHS, despite the significant challenges of COVID-19; and
- iii. to note the Scottish Government's publication of the 2018 LHS Guidance and the Scottish Government's Housing to 2040 agenda.

4. BUDGET DEVELOPMENT 2022-27

A report was submitted by the Executive Director for Council Resources presenting an update on matters affecting development of budgets including the draft budget proposals prepared on behalf of the Administration.

Sarah Fortune, Executive Director for Council Resources, presented the report, advising that the Local Government Finance Order would not be published until 24 February, and that the papers for this meeting should be considered as draft and subject to change. She made reference to the main elements of the draft settlement (outlined at Section 3.5 of the report), noting that CoSLA had now made representation to the Scottish Government, with the support of all 32 council leaders, setting out their concerns and potential impact on services. She added that any change to the Council's allocation would be reported to Group Leaders. Ms Fortune drew attention to the appendices attached to the report, and also stated that all three political groups had declared their intention to freeze rent levels for the coming year. She stressed the scale of the challenges facing the Council (detailed in Section 3.10 of the report), noting that difficult decisions would have to be taken at the Special Council meeting on 1 March.

Councillor Akhtar questioned whether there would be sufficient reserves available for the proposals to be delivered within the requirements of the reserves strategy. Ms Fortune confirmed that this was the case.

Councillor Dugdale asked for further information on the reduction in funding of £1.2m for early learning and childcare. Ms Fortune explained that this figure was aligned with a national reduction of c. £15m from the national settlement, and that Scottish Government officials were of the view that there was sufficient funding in the national settlement to cover this. Lesley Brown, Executive Director for Education and Children's Services, indicated that the reduction was likely to have an impact on the delivery of the policy, and that changes may need to be made.

Councillor O'Donnell asked what percentage of the revenue budget was generated through Council Tax, including the contribution to Council Tax from new homes, and what percentage of overall services were covered by Council Tax revenue. Ms Fortune advised that Council Tax accounted for 25% of the Council's overall revenue, with the Scottish Government grant settlement being the largest portion. She noted that a 1% Council Tax increase would amount to an additional £680,000 per annum, adding that any increase in Council Tax would still not cover the scale of the pressures facing the Council.

Councillor Hampshire opened the debate by stating that the Scottish Government grant settlement for 2022/23 was at the lowest level for 15 years, and that no funding had been made available for growth in demand, inflation or salary increases. He argued that devolution was not working as there were restrictions on resources, and control of services was being taken away from communities. He suggested that a new devolution settlement was required, with local government being on an equal level as the devolved administrations, whereby some funding could be allocated directly to local authorities to allow them to determine their own priorities. Councillor Hampshire pointed out that the core budget had been reduced by £700,000 for the coming year, despite the growing population in East Lothian. He claimed that the settlement would not allow the Council to deliver on commitments such as climate change, nor would it fund salary and National Insurance increases. There would therefore be a significant impact on the Council's revenue budget, requiring the Council to use £7.2m from its reserves and increase Council Tax by 3%. He made reference to the Administration's financial strategy, noting that had the Council not had those reserves available, a Council Tax increase of 15% would have been required. He observed that all 32 local authority leaders had disputed the settlement. He offered the Leaders of the Conservative and SNP Groups an opportunity to discuss the draft proposals with a view to reaching agreement on the budget in advance of the Special Council meeting on 1 March.

Councillor McMillan stressed the need for sufficient resources being made available to deliver services. He commented that it was important for officers to be relieved of constantly having to think of new ways of working. He suggested that the funding system should be reviewed, otherwise there would be a further detrimental impact on the public.

Councillor Akhtar thanked staff and partners for their delivery of services. She highlighted a number of challenges facing local government, such as climate change and the COVID-19 recovery, and stressed the need for the settlement to be amended to reflect these pressures. She noted that the decision to propose an increase in Council Tax by 3% had not been taken lightly, and urged Members to pursue additional resources to deliver services.

Councillor Dugdale concurred with her colleagues that the settlement was insufficient to deliver services, and hoped that the Scottish Government would reconsider their decision to reduce funding for Education and Children's Services. She called on the Scottish Government to fund local government services in full.

Decision

The Cabinet agreed, by roll call vote:

- i. to note the current position relating to the national Local Government Finance Settlement and the implications for East Lothian Council;
- ii. to approve the draft budget proposals as contained within the report appendices; and
- iii. to request that any formal amendments to the draft proposals be submitted in accordance with the timeline set out in Section 3.15 of the report.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

The Cabinet unanimously agreed to exclude the public from the following business containing exempt information by virtue of Paragraph 9 (terms proposed or to be proposed in the course of negotiations for a contract for the acquisition or disposal of property) of Schedule 7A of the Local Government (Scotland) Act 1973.

Grant Funding of East Lothian Mid-Market Rent Homes LLP from the Council's Second Homes Council Tax Fund

A private report submitted by the Executive Director for Place concerning the grant funding to acquire a number of affordable housing units was approved.