



MINUTES OF THE MEETING OF EAST LoTHIAN COUNCIL

TUESDAY 1 MARCH 2022
VIA DIGITAL MEETING FACILITY

Committee Members Present:

Provost J McMillan (Convener)
Councillor S Akhtar
Councillor L Bruce
Councillor S Currie
Councillor F Dugdale
Councillor J Findlay
Councillor A Forrest
Councillor N Gilbert
Councillor N Hampshire

Councillor J Henderson
Councillor S Kempson
Councillor G Mackett
Councillor K Mackie
Councillor C McGinn
Councillor F O'Donnell
Councillor T Trotter
Councillor J Williamson
Councillor C Yorkston

Council Officials Present:

Ms M Patterson, Chief Executive
Ms L Brown, Executive Director for Education and Children's Services
Ms S Fortune, Executive Director for Council Resources
Mr D Proudfoot, Executive Director for Place
Ms E Dunnet, Head of Finance
Ms M Ferguson, Head of Corporate Support
Mr I Gorman, Head of Operations (Health & Social Care)
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 R Crichton, Committees Officer
Ms F Currie, Committees Officer
Ms A-M Glancy, Finance Manager – Corporate Accounting
Mr C Grilli, Service Manager – Governance
Mr D Henderson, Finance Manager – Service Accounting
Mr P Vestri, Service Manager – Improvement, Policy & Communications

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:

Councillor J Goodfellow
Councillor C Hoy
Councillor P McLennan
Councillor K McLeod

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.

Order of business – Urgent Motion: Military Action in Ukraine

The Provost advised that an urgent motion had been received from the Labour Group (which had now been circulated to all Members), in relation to the ongoing military action in Ukraine. The Provost ruled that he was prepared to accept this urgent item on the grounds of public interest, concerns raised by members of the public and local organisations, and connections to Ukraine within the local community. In accepting this motion, he advised that Standing Orders 4.2 and 5.3(i) would require to be suspended, and that this would require the support of two-thirds of Members. The clerk took a roll call vote on the suspension of Standing Orders 4.2 and 5.3(i), which was approved unanimously. The Provost advised that the urgent motion would be considered as the final item of business.

The clerk recorded attendance by roll call.

1. BUDGET DEVELOPMENT INCLUDING SETTING OF COUNCIL TAX AND COUNCIL HOUSING RENT FOR 2022-23

A report was submitted by the Executive Director for Council Resources, providing Members with an update on developments affecting the national Local Government Finance settlement and funding received from Scottish Government.

The Head of Finance, Ellie Dunnet, presented the report, advising that the settlement was still draft (due to be finalised on 2 March). She highlighted the key changes to the settlement since the Cabinet had considered the draft budget on 26 January, as set out in Section 3.4 of the report, noting that £2.3m of this funding was being provided on a non-recurring basis, and that overall, the core funding to the Council had been reduced by £0.7m. Ms Dunnet drew attention to a number of national announcements, including additional funding to support a cost of living payment (further details to be received), and additional funding to support the COVID-19 recovery, as well as additional financial support of £3.7m for education priorities, and £4.78m for adult social care (to be administered by the Integration Joint Board (IJB)). She highlighted that there would be no increase to rent levels in 2022/23.

On the budget proposals set out at Items 2 and 3 on the agenda, which proposed a 3% Council Tax increase for 2022/23, Ms Dunnet confirmed that the proposals and the proposed use of reserves were in compliance with the Council's Financial Strategy. She reported that a further £13.4m of core service reductions would require to be delivered over the next three years, and that the Council would need to identify solutions to address this challenge. She noted that a review of the budget development framework was underway, which would support the development of future budget proposals. She concluded by advising that in the

event that there were any further changes to the grant settlement, a further report would be submitted to Council for consideration.

Ms Dunnet responded to a number of questions from Councillor Currie. On the Council's PPP contract, she advised that there would be significant pressure on this during the coming year and that it would be considered as part of the review of the budget development framework. Sarah Fortune, Executive Director for Council Resources, added that due to high levels of inflation and the fact that it was linked to RPI, the PPP contract would be subject to significant cost pressures. As regards the additional funding for adult social care services, Ms Dunnet advised that the additional £13.4m recently announced did not form part of today's budget as it would come to the IJB; this funding would address unmet demand and new policy commitments. On the delivery of efficiency savings, she indicated that projects would be impacted, and that the Council would also have the additional challenge of managing the COVID-19 recovery in the coming years.

The Provost moved to the roll call vote, which was approved unanimously.

Decision

The Council agreed:

- i. to note the further update on budget development set out within the report, and the implications for the Council;
- ii. to consider and make recommendations in relation to budget proposals included within the agenda, reflecting formal amendments proposed to the Draft Administration Budget Proposal for General Services and Housing Revenue Account (revenue and capital plans) approved by Cabinet on 26 January 2022;
- iii. to approve the Council Tax and Rent Levels for 2022/23, as set out in Section 3.13 of the report.

2. BUDGET PROPOSALS ON GENERAL SERVICES

Amendment Submitted by the Administration

Councillor Hampshire presented the Administration's amendment to the budget proposals. He thanked the Chief Executive and her Management Team, as well as members of the Finance Team, for their support during the process. He paid tribute to staff for their efforts in continuing to deliver services during the pandemic, noting that this could not have been achieved without the additional COVID-19 funding. He warned that the recovery would take some years and would continue to put pressure on Council budgets unless further funding was secured. He advised that the cost of providing core services would rise by £12m in 2022/23, due mainly to population growth, energy costs and inflation; however, the grant funding allocated by the Scottish Government would reduce by £734,000 for 2022/23. In order to balance the budget and protect services, a 3% increase in Council Tax would be required, generating an additional £2m, with a further £2.2m being generated through the construction of 1200 new homes. In order to make up the shortfall, continual assessment of service costs would be required, new ways of working would be developed, and further plans for delivering efficiencies would be required. In addition, £7.1m of reserves would be used to make up the shortfall. Councillor Hampshire made reference to the challenge faced by the new Council in achieving further savings and reducing costs of delivering services.

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

- Additional funding of £182,000 to tackle anti-social behaviour and support community development
- £250,000 over two years to delivery new pump tracks, working in partnership with community groups
- £345m to deliver the Council's Capital Programme over the next five years
- Investment in schools, including East Linton, Blindwells, Craighall, Whitecraig, as well as the new secondary campus at Wallyford
- Development of the £26m Food and Drink Innovation Hub and associated infrastructure, in partnership with Queen Margaret University
- Development of economic opportunities at the former Cockenzie Power Station site
- In partnership with Network Rail, the delivery of a new station at East Linton
- The planting of two million trees over a ten-year period to address the climate emergency, in addition to increasing the number of electric car charging points
- Reductions in the cost of delivering waste services, by way of the new recycling service

Councillor Hampshire concluded his presentation by reiterating the financial challenges faced by the Council in recent years. However, due to strong financial management, he believed that it remained one of the best performing councils in Scotland. The budget presented to Council would provide the best opportunity to delivery services and provide staff with time to plan for the financial challenges ahead. He moved the Labour budget proposals, as amended.

The Administration's amendment was seconded by Councillor Akhtar, who thanked Councillor Hampshire for his work in achieving a balanced budget, and paid tribute to Councillor Innes for his leadership in the budget process in previous years. She argued that the funding allocated to the Council did not take account of the growth taking place in East Lothian, highlighting the impact of a £700,000 reduction in grant funding, inflation and other increasing costs. She stressed that the Administration had done all it could to keep the Council Tax increase as low as possible. Councillor Akhtar paid tribute to staff in Health and Social Care for continuing to deliver services and the vaccination programme during a very challenging period. She also praised the work by community volunteers, day centre staff, and care home staff in their efforts to support and protect vulnerable people. She noted that the impact of COVID-19 would be felt for years to come, and that it was therefore important to focus on mental health. She welcomed the additional funding to support youth work and the continued support for Area Partnerships.

Councillor Bruce expressed concern at the reduction in grant funding for the Council, despite the Scottish Government receiving additional funding from the UK Government. He called on the Scottish Government to provide additional funding for local authority areas which were growing. He accepted that a 3% Council Tax increase would impact many families, and welcomed additional government support. He also welcomed funding to tackle anti-social behaviour, and urged the Council to upgrade CCTV provision across the county. Alluding to the financial challenges facing the Council, Councillor Bruce voiced concern about the potential impact on the capital programme, particularly as regards improvements to the school estate. He also called on officers to accelerate the asset review and to encourage home-working for staff, which would achieve a financial saving for the Council as well as improvements to work/life balance. He declared that he would support the Administration's proposals.

Councillor Currie opened his speech by paying tribute to Councillor Innes for his input into the budget process in previous years, and by wishing Councillors Goodfellow and McLeod well in their recovery from illness. He thanked officers for their assistance with the budget, and commended the efforts of Council staff to continue delivering services over the past two years. On the proposed increase in Council Tax, he stated that 3% was the maximum that the SNP was prepared to support. He voiced concern about the ongoing cost-of-living rises,

particularly the forthcoming National Insurance increase. On the budget proposals, he welcomed the removal of instrumental music tuition charges and the additional funding for health and social care services. He did, however, highlight the difficulties in recruitment and retention of social care staff, suggesting that the Council would need to invest and innovate to meet these challenges. Councillor Currie also welcomed the financial support for local businesses during the pandemic, as well as the 20% reduction in the cost of the coastal car park season ticket. He also spoke in support of the additional funding for youth services. As regards capital investment, he welcomed improvements to IT services, particularly the provision of a new reporting app, and funding for facilities throughout the county, such as parks and paths. He paid tribute to those who had campaigned for a Gullane–Drem path, which had recently attracted Sustrans funding for a feasibility study. Councillor Currie was supportive of the provision of health and social care facilities, and was particularly keen to see GP services being provided in the Wallyford area. He concluded by declaring that he would support the Administration's budget proposals.

Councillor Dugdale thanked officers for their help during the budget process. She alluded to the challenges faced by the Council over the past two years, and would continue to face for some time to come, as a result of the pandemic. She expressed concern about the longer-term impact of COVID-19 on children and young people, and of the impact of cost-of-living rises on families. She pointed out that staff in Education and Children's Services were working hard to support the needs of children and families, with a focus on early intervention, and keeping children in their schools and communities, as well as bringing back children and young people from external placements. She thanked staff for their efforts in this regard. She also pointed out that additional support had been directed at those children and young people with additional support needs (ASN). She commended the leadership of this service in addressing these challenges at a time when school rolls were increasing, and she also welcomed the improvements to the school estate, in particular the new Wallyford learning campus, which would include special provision for young people with ASN. She hoped that future budget settlements would take account of the growth in East Lothian.

Councillor Trotter welcomed the united approach to the budget process this year, and hoped that this would continue in future years.

Thanking staff for their assistance during the budget process, Councillor Yorkston spoke of the difficulties in setting a budget when the financial settlement had only recently been announced. He believed that the Administration's budget proposals would support communities and protect services and the economy. In his own ward, he welcomed £18.2m of capital investment, particularly the proposed investment of £15.9m in the school estate. He believed that this would have a positive impact on teachers and pupils. He also welcomed the proposals to upgrade Prestongrange Museum. He thanked Councillor Hampshire for his leadership on the budget proposals and appreciated the support of other Members.

Echoing the comments made about Councillor Innes' contribution to past budget processes, and to Councillor Hampshire's leadership, Councillor McGinn highlighted the difficulties in preparing a budget in the current financial climate. He expressed concern at the cost-of-living crisis and the conflict in Ukraine, both of which would have a long-term financial impact, and stressed the need to protect communities and deliver services. He welcomed the investment in sport and leisure facilities to help support health and wellbeing, including the proposed replacement of 3G pitches in each community, and of improvements to coastal car parks, which would be supported by £700,000 of funding from the Rural Tourism Investment Fund. He also stated the Council's commitment to supporting coastal areas and tackling coastal erosion, and to developing the core path network. He also advised that a number of community facilities which had been closed due to COVID-19 would be reopened, and that the Council would continue to campaign for primary care health services in the Tranent, Wallyford and Macmerry ward. He warned that the coming years would be difficult

for local authorities, but believed that the budget proposals would allow the Council to face those challenges.

Councillor O'Donnell remarked that the Administration had always sought to make the best decisions for local communities. She referenced the crisis in Ukraine and the impacts of climate change, both of which would result in people being displaced, and commended the Council's efforts to respond to the climate emergency. She also welcomed the dialogue with the other political groups during the budget process. She believed that a 3% increase in Council Tax struck the right balance between supporting people and delivering services, noting that the increase would have been higher without the use of reserves or sound financial management.

Councillor Forrest stated that he was proud to support the budget proposals, which would put the Council on a 'sound footing' to support communities. In particular, he welcomed the investment in services for the vulnerable and young people.

The Provost referred to recent reports by Audit Scotland and the Financial Times which had placed East Lothian Council as the top council in the UK for improved and increased local spending. He drew attention to investment, including work being carried out as part of the City Region Deal, and the improvements to Haddington Corn Exchange and Town House. He commended the work of officers in delivering developments and infrastructure, and also the financial assistance administered by the Council to local business during the pandemic. He believed that the proposed budget would enable the Council to deliver services throughout the county, and make communities more resilient. He paid tribute to Councillor Hampshire for his work on the budget, which had continued the values and focus set out in previous years by Councillor Innes.

Councillor Hampshire summed up by welcoming the support for the Administration's budget proposals. He thanked Members by recognising the role played by Councillor Innes in previous years' budget development. He stated that he would have preferred not to increase Council Tax, but that without doing so there would be further cuts to services. He stressed that the Council faced significant financial challenges, and that the incoming Administration would need to reduce the cost of providing services. He concluded by thanking colleagues for their support in order to get unanimous support for the last budget of the current Council term.

The Provost then moved to the roll call vote on the amendment to the budget proposals, as proposed by the Administration, which was approved unanimously.

Decision

The Council agreed to approve the amendment to the budget proposals as presented by the Administration and to increase Council Tax by 3% for 2022/23 (Band D level of £1,341.69).

3. RENT PROPOSALS 2022/23 – 2026/27

Amendment Submitted by the Administration

Councillor Forrest presented the Administration's amendment to the rent proposals. He thanked Councillor Goodfellow for his work as regards Housing, and wished him well in his recovery from illness. Councillor Forrest thanked staff for continuing to deliver the modernisation and repairs programmes despite the challenges of the pandemic. He also thanked Tenants and Residents' groups and community groups for their support. He made reference to current rent levels and house prices, and of the resulting pressure on waiting lists for both Council and Registered Social Landlord (RSL) housing. On the delivery of new-

build housing, Councillor Forrest reported that 779 affordable homes had already been delivered during the current Council term, with an additional 185 due to be completed during the current financial year. In addition, 457 kitchens and 463 bathrooms had been replaced as part of the modernisation programme, and new smoke and heat alarms had been installed. With reference to the impact of rising living costs, Councillor Forrest proposed a rent freeze for 2022/23.

The Administration's amendment was seconded by Councillor Yorkston, who echoed the comments made about Councillor Goodfellow. He highlighted the positive impact of the modernisation programme on families, and of the benefits of new energy-efficient homes for tenants. He supported the rent freeze, believing this was a good deal for families across East Lothian.

Councillor Currie also conveyed his best wishes to Councillor Goodfellow, and welcomed Councillor Forrest to his new role as Housing Spokesperson. On behalf of the SNP Group, he thanked staff in the Housing Service for continuing to deliver services during the pandemic, and welcomed the engagement with the Tenants and Residents' groups. He was in agreement with the Administration as regards freezing rent levels for 2022/23. He stressed that the Council should prioritise maximising energy efficiency measures, and urged the Administration to look at all possible ways of achieving this. He voiced concern at the forthcoming increases in fuel costs and the resulting impact this would have on low-income families. In conclusion, he believed that the proposal to freeze rent levels for the coming year should be supported.

Councillor Bruce also spoke in support of the proposal to freeze rent levels, and added his voice to those who had wished Councillor Goodfellow well in his recovery.

Councillor Hampshire thanked Members for their support as regards the HRA proposals. He was also concerned at the impact of cost-of-living and fuel rises on families. He noted that the modernisation programme would continue, as would improvements to energy efficiency in Council homes and new build homes. He noted that £116m would be made available to deliver 600 new homes over the next five years, and that additional units would be delivered working in partnership with external organisations. He was committed to maximising funding to deliver additional homes, as well as to delivering housing for older people and those with extra care needs. He accepted that delivering sufficient levels of new homes was challenging, but that he was confident that officers would continue to do what they could to provide as many high quality homes as possible.

Summing up, Councillor Forrest welcomed the comments made, and stressed the importance of governments assisting councils to deliver affordable housing.

The Provost then moved to the roll call vote on the amendment to the rent proposals, as proposed by the Administration, which was approved unanimously.

Decision

The Council agreed to approve the amendment to the rent proposals, as presented by the Administration, and to freeze rent levels for 2022/23.

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

A report was submitted by the Executive Director for Council Resources seeking approval of the Treasury Management and Investment Strategies for 2022/23 to 2026/27.

The Head of Finance, Ellie Dunnet, presented the report. She confirmed that the Strategy was aligned to the Capital and Financial Strategies approved by Council in December 2021, and that it complied with treasury management requirements. She advised that the purpose of the treasury management function was to ensure that the Council had sufficient funds to meet its spending obligations, and that it was a requirement of CIPFA that the Council should approve a Treasury Management Strategy in advance of each financial year. She drew attention to the key aspects of the report, including actual and planned capital expenditure, the positions with the General Services and Housing Revenue Account, and authorised limits and operational boundaries for external debt levels. Ms Dunnet advised that a mid-year report on treasury management activity would be lodged in the Members' Library and that a year-end report would be presented to the Audit and Governance Committee. She concluded by noting that the Council would not be required to adopt the new CIPFA codes until the 2023/24 financial year.

Decision

The Council agreed:

- i. to approve the Treasury Management Strategy, referenced within Sections 3.5 to 3.18 of the report;
- ii. to approve the Investment Strategy, referenced within Sections 3.19 to 3.21 of the report;
- iii. to approve the repayment of loans fund advances using the methodology detailed in Section 3.6 of the report;
- iv. to approve the operational boundaries for external debt, as detailed in Section 3.14 of the report;
- v. to approve the authorised limits for external debt, as detailed in Section 3.15 of the report;
- vi. to approve the delegation of authority to the Chief Finance Officer to effect movement between external borrowing and other long-term liabilities, as detailed in Section 3.18 of the report;
- vii. to note the detailed Treasury Management Strategy Statement, available in the Members' Library (Ref: 18/22, February 2022 Bulletin).

5. NOTICE OF URGENT MOTION – MILITARY ACTION IN UKRAINE

The following urgent motion was submitted by Councillors Hampshire and Akhtar:

We, Norman Hampshire (mover) and Shamin Akhtar (seconded), ask the Chief Executive and Provost to express the following sentiments on behalf of the Council and the people of East Lothian urgently and in writing:

- To the Russian Ambassador in the UK, asking that he requests his government to withdraw troops from Ukraine *immediately*.
- To the Ukrainian Ambassador in the UK, expressing the Council's support and solidarity, and respect for his nation's sovereignty and freedom.
- To the Prime Minister of the UK, asking that all efforts are made to welcome refugees coming from Ukraine to the UK *without the need for a visa*, and advise of our willingness to help in any way we can as a county to settle

individuals and families whose lives have so sadly and suddenly been affected by the military action in Ukraine.

Councillor Hampshire presented the motion, condemning the attack on Ukraine by Russia and the horrific impact on the civilian population. He made reference to the UK's proud history of supporting countries in need and people fleeing war zones. Setting out the terms of the motion (as outlined above), he asked Members to support it, and to do all they could to support the Ukrainian people.

Seconding the motion, Councillor Akhtar alluded to previous situations where refugees had been welcomed into East Lothian. She described the attack on Ukraine, and in particular aggression against civilians, as 'horrific and barbaric'. She believed the Council had a duty to show support to Ukraine and its people.

Councillor Currie declared that he was supportive of the motion. He spoke of the personal tragedy facing families in Ukraine. He was critical of the UK Government's current stance on accepting refugees from Ukraine and argued that the UK should not put barriers in place for people fleeing the conflict; instead, he believed that they should be allowed to remain in the UK for up to three years without having to produce the usual paperwork.

Councillor Bruce spoke in support of the comments already made, agreeing that there was no justification for attacks on civilians. He was of the view that the UK should do all it can to help those people fleeing Ukraine, and that it should also provide military aid to ensure that Ukrainians could defend their country.

Referring to the Balkans conflict in the 1990s, Councillor McGinn observed that a similar situation was unfolding in Ukraine. He spoke of the support for Ukraine within his own community, including aid collections organised by Wallyford Primary School, the Co-op, and Midlothian and East Lothian's Women's Aid.

The Provost agreed that there was a desire to offer sanctuary to Ukrainians, in an open and stress-free way, and he praised the efforts of individuals and organisations in the community who were doing all they could to support Ukraine.

Summing up, Councillor Hampshire thanked Members for their support for the motion. He believed that the best way to defeat Russia was for the world to be united against the actions of President Putin.

The Provost then moved to the roll call vote on the motion, as submitted by Councillors Hampshire and Akhtar, which was approved unanimously.

Signed

Provost John McMillan
Convener of the Council