



MINUTES OF THE MEETING OF THE CABINET

TUESDAY 13 SEPTEMBER 2022
VIA A DIGITAL MEETING FACILITY

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Committee Members Present:

Councillor S Akhtar
Councillor F Dugdale
Councillor A Forrest
Councillor N Hampshire (Convener)
Councillor C McGinn
Councillor J McMillan

Other Councillors Present:

Councillor L Allan
Councillor R Bennet
Councillor L Bruce
Councillor C McFarlane
Councillor B Ritchie

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
Mr D Proudfoot, Executive Director for Place
Ms M Ferguson, Head of Corporate Support
Ms N McDowell, Head of Education
Ms M Sullivan, Head of Development
Mr D Henderson, Interim Head of Finance
Mr C Grilli, Service Manager – Governance
Mrs L Gillingwater, Team Manager, Democratic and Licensing

Clerk:

Ms F Currie

Apologies:

None

Declarations of Interest:

None

The Convener informed Cabinet that following the announcement on Thursday 8th September of the death of Her Majesty Queen Elizabeth II, it was proposed that the business on the agenda for today's meeting should be postponed to a later date. It was also proposed that Standing Orders be suspended to allow Councillors, who were not members of Cabinet, the opportunity to make statements during this meeting.

The proposal was seconded by Councillor Forrest. A vote was taken by roll call and the proposal was approved unanimously.

The Convener invited those present to observe a minute's silence. Following this, he called upon the Provost, Councillor McMillan, and any other Members, to pay their personal tributes to Queen Elizabeth.

Councillor McMillan reflected on his own and his family's memories of the Queen's visits to the county during her reign, and on his feelings reading the proclamation of her death and the accession of HM King Charles just two days ago. He said that the Royal Family were a part of the life, history and culture of the country and that the Queen had influenced generations of people in a variety of ways. He commented on the events in Edinburgh the day before which had been both touching and memorable, and on the lasting impact of the values of dedication, duty and service demonstrated so clearly by the late Queen. He offered his condolences, thoughts and prayers to the Royal Family on behalf of the people of East Lothian.

Councillor Bruce thanked his colleagues for the opportunity to reflect on and give thanks for the Queen's life of service to her family, country and faith. He said she was one of the last constants in a rapidly changing world. He offered his sincere condolences to her family on the loss of a mother, grandmother and great grandmother.

Councillor Allan said that the Queen was a truly remarkable woman who had lived a life of service; from training as a mechanic during the Second World War, to bringing the country together with a national address during the pandemic. Her thoughts were with all of those deeply affected by the Queen's death.

Councillor McGinn reflected on the articles he had read over the weekend recalling aspects of the Queen's life. Many had commented on her commitment to service and duty and some the more personal and 'ordinary' aspects of her life. Quoting from one article, he commented on the impact the loss of her husband, Prince Philip, had had on the Queen and her subsequent changes in health.

Councillor Bennett offered his condolences to the Queen's family and to all who had loved her.

Councillor Dugdale remarked that the Queen had been a constant presence in her own and others' lives and that her dedication and service had been unmatched over 70 years. She was a reassuring presence and her care for her people was clear for all to see, particularly during the pandemic. Councillor Dugdale had been sad to hear of the Queen's passing and was aware of how keenly her loss would be felt by the Royal Family in the days and weeks to come.

Councillor Ritchie concurred with the comments made by her colleagues. She paid tribute to the Queen's strength, kindness and leadership in high office and said she had been an inspirational role model for many women and girls from all walks of life. She acknowledged the loss to the Royal Family and said she hoped that they would take comfort from knowing how much the Queen was loved.

Councillor Akhtar agreed that this was a very sad time for the country. She said many people remembered the Queen’s visits to the county and her ability to unite communities by finding a common purpose. She noted that the Queen had been patron of over 600 charities as well as being an ardent supporter of the NHS. She also reflected that the Queen began her reign in a predominantly male environment but nonetheless forged her own path, becoming a role model for other women.

Councillor Forrest said that the Queen was a truly remarkable woman and that the last few days had shown the high esteem in which she was held by Scots, and that she herself held for Scotland. He paid tribute to her desire to continue serving her country rather than stepping back from public life as she got older.

The Convener offered his condolences to HM The King and the Royal Family on their loss. He remarked that, for many, the Queen was the only monarch they had known and that the last few days had shown that the majority of people had held her in great affection and respect. Many stories had been shared in recent days demonstrating that great respect and affection. The Queen had supported her people over many generations and through difficult times and East Lothian had been fortunate to welcome her on several occasions over the years, and all involved in those events had fond memories to share.

The Convener closed the meeting by reminding those present that tributes to HM The Queen from public figures in East Lothian were available to view on the Council’s website; along with a link to the official book of condolence for the Royal Family where individuals could leave their own tributes.

DRAFT

Signed

Councillor Norman Hampshire
Council Leader and Convener of Cabinet



MINUTES OF THE MEETING OF THE CABINET

TUESDAY 27 SEPTEMBER 2022
VIA A DIGITAL MEETING FACILITY

Cabinet Members Present:

Councillor S Akhtar
Councillor N Hampshire (Convener)
Councillor J McMillan
Councillor A Forrest
Councillor C McGinn

Other Councillors Present:

Councillor R Bennet
Councillor L Jardine
Councillor G McGuire
Councillor C Yorkston
Councillor C Cassini
Councillor C McFarlane
Councillor S McIntosh

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
Mr D Proudfoot, Executive Director for Place
Ms M Ferguson, Head of Corporate Support
Ms N McDowell, Head of Education
M S Saunders, Head of Communities
Ms M Sullivan, Head of Development
Mr D Henderson, Interim Head of Finance
Mr C Grilli, Service Manager – Governance
Mr D Stainbank, Service Manager – Internal Audit
Mr P Vestri, Service Manager – Improvement, Policy & Communications
Mr P Ritchie, Service Manager – People & Council Support
Ms A Glancy, Service Manager – Corporate Accounting
Mr I Lennox, Team Manager – Assets and Regulatory
Ms Z Rathe, Team Manager – Information Governance
Mrs L Gillingwater, Team Manager, Democratic and Licensing

Clerk:

Ms F Currie

Apologies:

Councillor F Dugdale

Declarations of Interest:

None

The Convener reminded Members that this meeting would consider the substantive business postponed from the meeting on 13th September.

1. MINUTES FOR APPROVAL – CABINET 14 JUNE 2022

The minutes of the meeting of the Cabinet of 14 June 2022 were approved.

2. QUARTER 1 FINANCIAL REVIEW 2022/23

A report was submitted by the Executive Director for Council Resources providing an update on the in-year financial position at the end of June 2022.

The Interim Head of Finance, David Henderson, presented the report. He gave a detailed summary of the financial performance for Quarter 1 of the current financial year and the impacts of inflationary pressures such as gas and electricity and the uncertainty over the pay settlement. He advised that at the end of June, the Council was reporting a £869,000 overspend in the General Services revenue financial position. He highlighted the reported positions for key service areas at the end of Quarter 1 and the intervention measures agreed by the Council Management Team. He also confirmed that future financial review reports would be presented to Council for scrutiny until the current challenges abated and the financial position improved.

Responding to questions, Mr Henderson acknowledged that the increased costs of materials and supplies would impact the delivery of the Council's programme of works and capital projects and that the Council awaited updates from the UK and Scottish Governments on further changes to economic policy. In the meantime, officers had agreed a change to financial reporting with future updates being presented to full Council rather than Cabinet.

Mr Henderson also updated Members on the staff pay award, outlining the elements of the award and the funding challenges, and confirming that further updates expected from CoSLA and the Scottish Government. On the issue of increasing utility costs, he advised that assumptions around these were being built into financial planning going forward and that the Council was seeking clarity on what help would be available once the current assistance expired.

Councillor Forrest said the report made interesting reading and he thanked Mr Henderson and his team for its preparation. He welcomed the work to engage with tenants and local residents to highlight the support available to them and he offered his particular thanks to the staff in the Rent Income and Financial Inclusion Teams.

Councillor McMillan said the report outlined the tough times ahead and the need for all councillors to work together; and he welcomed the setting up of the cross-party working group. He also acknowledged the work of staff to assist the most vulnerable residents. He added that, with such an uncertain future, regular updates on the financial position would be very important. Reflecting on the experience of the pandemic, he was confident that colleagues would work together to do their best for local communities.

Councillor McGinn remarked that global events were now impacting local communities who had already had significant difficulties to deal with. He noted that some services were still operating below levels of staffing usually seen but, despite this, staff were performing tremendously well. He hoped that this current crisis would not result in further set-backs following the efforts to maintain services during the pandemic.

Councillor Akhtar commented that this was a deeply concerning report which demonstrated that the pressures facing the Council were more intense than ever before. She emphasised the importance of delivering the pay award for staff and welcomed the ongoing work to support constituents and help them maximise their income during these difficult times. She added that, looking behind the figures, there was a huge amount of the work taking place in areas such as health and social care to improve outcomes for local residents. She concluded that this report showed what a huge challenge the Council was facing and she wanted to pay tribute to staff and to let them know how much their hard work was appreciated.

The Convener thanked officers for a comprehensive report which he said outlined the very difficult financial position facing the Council this year; not least to deliver efficiency savings within the context of significantly increasing costs. Referring to utility costs in particular, he stated that the Council would not be able to deliver services and required savings, as well as managing these increasing costs, without additional help from Government. The pay award was presenting similar funding challenges. He also reflected on the recent UK Government mini-budget and its impacts on money markets, interest rates and borrowing costs; all of which he said would place further pressure on Council finances in the absence of any additional support from the Scottish Government.

Decision

The Cabinet agreed to:

- i. Note the financial performance at the end of Quarter 1 in 2022/23 against the approved budgets.
- ii. Note the impact of inflationary pressures, particularly gas and electricity and the uncertainty over the pay settlement.
- iii. Note the additional funding received from the Scottish Government to meet specific policy initiatives.
- iv. Note the range of intervention measures approved by the Council Management Team set out in paragraph 3.20.
- v. Note that future financial review reports will go to Council for scrutiny until the financial position improves.

3. FREEDOM OF INFORMATION (SCOTLAND) ACT 2022 AND DATA PROTECTION ACT 2018, COMPLIANCE STATISTICS 2021

A report was submitted by the Executive Director for Council Resources reporting on the Council's compliance with the 20 working day timescale laid down by the Freedom of Information (Scotland) Act 2002 for the calendar year 2021 (i.e.: from 1 January 2021 to 31 December 2021); and the Council's compliance with the timescale laid down by the Data Protection Act 2018 (GDPR) for the calendar year 2021 (i.e.: from 1 January 2021 to 31 December 2021).

The Team Manager – Information Governance, Zarya Rathe, presented the report. She highlighted a slight decrease in the number of FOI requests from 2020 to 2021 – attributed to the ongoing pandemic - but advised that, overall, there continued to be an upward trend in the number and complexity of requests since the legislation came into force in 2002. She also provided a breakdown of the statistics relating to responses to FOI and EIR requests and subject access requests under the Data Protection Act 2018.

Responding to questions, Ms Rathe advised that the legislation did allow for the Council to charge for Environmental Information Regulation requests, however this policy was currently under review. She confirmed that cost figures were currently being compiled for 2020/21 and these would be circulated shortly. She outlined the background to costs associated with FOI requests and the criteria for classing repeated contacts as vexatious requests. She reminded Members of the Publication Scheme which was required under the legislation and which allowed the Council to put information into the public domain which may be the subject of FOI requests and to direct correspondents to the Publication Scheme or other areas of the Council's website.

The Convener thanked Ms Rathe for a very useful report and encouraged the publication of as much information as possible in an effort to reduce the number of requests and the consequent additional burden on officers.

Decision

The Cabinet agreed to note the report and for Members to provide feedback on the compliance statistics.

4. REFRESHED WHISTLEBLOWING POLICY

A report was submitted by the Service Manager – Internal Audit informing Cabinet of the revisions to the East Lothian Council Whistleblowing Policy, following consultation with Council management and Trade Unions, and requesting that the refreshed Policy be approved for adoption across the Council.

The Service Manager – Internal Audit, Duncan Stainbank, presented the report. He advised Members that the policy had previously been reviewed on a regular basis but, following the review in 2021, a broader refresh of the policy format had been undertaken. In addition, amendments had been made to the wording to reflect recent changes to legislation and he outlined some of the key changes.

Responding to questions, Mr Stainbank explained that where an allegation resulted in an investigation, a report was submitted to the Chief Executive. The number of investigations completed and any significant outcomes were also included in the Internal Audit annual report to the Audit & Governance Committee. Mr Stainbank confirmed that once the refreshed policy was approved a communication would be issued to all staff to make them aware of the changes.

Decision

The Cabinet agreed, by roll call vote, to approve the refreshed Whistleblowing Policy for implementation across the Council.

5. ANNUAL PENSIONS REPORT 2021/22

A report was submitted by the Executive Director for Council Resources summarising the early retirement activity within the financial year 2021/22, in accordance with External Audit requirements and Council Policy; and seeking approval for an amendment to the Council's Pension Discretion Policy in relation to Shared Cost AVCs.

The Service Manager – People & Council Support, Paul Ritchie, presented the report. He provided a summary of the Council's retirement activity in the financial year 2021/22, its

liability to pay pension costs in the future and the proposed amendment to the Council's Pensions Discretion Policy.

The Convener thanked officers for the update and emphasised the importance of this information and of ensuring that staff were kept informed of their options.

Decision

The Cabinet agreed, by roll call vote, to:

- i. note the content of the report with regard to the pension activity in respect of early retirements in the financial year 2021/22
- ii. approve the amendment to the Council's Pension Discretion Policy to allow for Shared Cost AVCs

6. AMENDMENT TO HOME WORK POLICY – HOME WORKING ALLOWANCE

A report was submitted by the Executive Director for Council Resources seeking amendment to the Home Working Policy to increase the level of Home Working Allowance.

The Head of Corporate Support, Morag Ferguson, presented the report. She reminded Members of the introduction of the Home Working Policy in June 2021 and the annual allowance paid to home workers. While the uptake of the Policy had been steady it had plateaued recently and anecdotal evidence suggested this might be due, in some cases, to the impact of increased utility costs. She outlined the proposed increase in the allowance from £156 per annum to £312 and that this would be paid for through the asset rationalisation programme.

Responding to a question from the Convener, Ms Ferguson advised that if the Council were to pay staff more than the maximum tax-free allowance set out by HMRC it could result in employees being drawn into the tax self-assessment scheme. She acknowledged that the HMRC allowance had not been reviewed for a number of years and it could be argued that it no longer reflected the full costs associated with working from home. While the decision was out of the Council's hands, she said it continued to press CoSLA to request a review by HMRC.

Decision

The Cabinet agreed, by roll call vote, the amendment to the Home Working Policy to increase the level of the Home Working Allowance from £156 per annum to £312 per annum, being the maximum tax free allowance set by HMRC.

7. REGULATION OF INVESTIGATORY POWERS (SCOTLAND) ACT 2000 (RIPSA) POLICY

A report was submitted by the Executive Director for Council Resources informing Cabinet that following an overall positive routine inspection and associated recommendations by the Investigatory Powers Commissioner, the Council's Corporate Policy regarding compliance with the Regulation of Investigatory Powers (Scotland) Act 2000 ('RIPSA') had been reviewed and updated.

Ms Rathe, presented the report outlining the background to RIPSAs, the results of the recent inspection and the policy review. She summarised the key changes which had resulted from the combining of two existing RIPSAs and Surveillance through Social Media policies.

Responding to a question from Councillor Akhtar, Ms Rathe advised that as the designated RIPSAs 'Gatekeeper' she was responsible for promoting best practice and overseeing staff training on the policies. She explained that the Council had undertaken a refresh of the guidance for officers, had extended training for key staff and was currently developing an eLearning module for wider staff. She also outlined the quality assurance process for RIPSAs applications.

Councillor Forrest commended a very self-explanatory report and policy; particularly given the increasing reliance on social media.

Councillor McGinn echoed his colleague's remarks adding that the rights of individuals should never be taken for granted. It was important to have a robust system in place to protect individuals' rights when accessing social media and that such policies were revisited regularly.

Decision

The Cabinet agreed, by roll call vote, to approve the Council's updated RIPSAs Policy.

8. NEW LICENSING FEE STRUCTURE FOR LICENSING OF SHORT TERM LETS

A report was submitted by the Executive Director for Council Resources providing Cabinet with details of the proposed licence fee structure for a licence for Short Term Lets under the new licensing regime for such activities which comes into force from 1 October 2022.

The Service Manager – Governance, Carlo Grilli, presented the report. He outlined the background to the new licensing arrangements for short term lets which would take effect from 1 October 2022 and how the proposed fee had been calculated. He advised that the regime would operate on a cost-neutral basis and it was estimated that the Council could receive up to 300 applications in the coming months.

Responding to questions, Mr Grilli confirmed that the initial proposal was for a 3 year licence cycle and inspections would only be undertaken where complaints were received or a review of the licence was considered necessary. However, the new arrangements would be kept under review and could be amended depending on their performance during the initial period. Mr Grilli advised that a wider review of licensing fees was underway and recommendations would be brought forward in the next financial year. Initially, a report would be presented for discussion at the Licensing Sub Committee, with a final decision being taken by Cabinet.

In response to a question on the short term let control areas, the Head of Development, Michaela Sullivan, informed Members that initial studies and consultations had taken place and the planning service was currently reviewing this information and gathering additional data. She indicated that it may be summer 2023 before a report would be brought to Cabinet.

Councillor McMillan commended the professionalism of officers in the licensing team in undertaking the implementation of this new licensing regime. However, he thought it was unfortunate that local authorities had not had more time to consider how best to implement the new legislation or to consider alternative options. He agreed that the impact of these new arrangements and the implications for planning issues would have to be kept under review.

The Convener remarked on the evolution of short term lets in East Lothian and that these had been operating throughout the county before the recent changes to the law. While he agreed that the new arrangements may not be ideal, it was necessary to take action to ensure the safety of tenants and to protect property owners. He welcomed the report as a useful starting point from which to develop this new policy.

Decision

The Cabinet agreed, by roll call vote, to fix the licence fee for licences to be issued under the Order at the levels proposed in the report.

9. VARIOUS ROADS EAST LOTHIAN, INTRODUCTION AND AMENDMENTS TO TRAFFIC REGULATION ORDERS 2022

A report was submitted by the Executive Director for Place seeking Cabinet approval to start the statutory procedures necessary to introduce and amend various Traffic Regulation Orders (TROs) to prohibit waiting, loading and unloading, and to promote a new one way street.

The Team Manager – Assets and Regulatory, Ian Lennox, presented the report, advising Members of further changes required to existing TROs and the introduction of new TROs, as set out in appendix A to the report. He also outlined a proposal to make Beveridge Row, Belhaven, one way southbound, as set out in appendix B.

Responding to a question from the Convener, Mr Lennox confirmed that all those who had submitted responses to the consultation on changes to Beveridge Row had received written replies. He added that further planned works would include improvements to the junction with Edinburgh Road.

Decision

The Cabinet agreed, by roll call vote, to approve the initiation of the statutory procedure necessary to introduce and amend Traffic Regulation Orders in accordance with 'The Local Authorities (Procedures) (Scotland) Regulations 1999 and such introduction and amendments that were in force in respect of locations and proposals listed in the appendices to the report.

10. NATIONAL PUBLIC HOLIDAY FOR HM THE QUEEN'S FUNERAL

A report was submitted by the Executive Director for Council Resources seeking approval to re-arrange the pre-existing public holiday scheduled for 19th September 2022 to Monday 24th October 2022, in light of the national holiday granted on 19th September to mark the State Funeral of HM The Queen.

Ms Ferguson presented the report. She outlined the background to the proposed change in public holidays, the impact on the in-service training day for schools scheduled for 24th October, arrangements for employees not due to work on 24th October and the costs associated with granting an additional public holiday. She also confirmed that the Trade Unions had been consulted on the proposals and had indicated their support.

Councillor McMillan welcomed the proposals set out in the report while noting the sad events which had brought them about. He reminded those present that a Service of Thanksgiving

for the life of HM The Queen would take place at St Marys in Haddington on Friday 30th September at 6pm, to which all were welcome.

Decision

The Cabinet agreed, by roll call vote:

- i. To approve the designation of the public holiday scheduled for 19th September 2022 as an additional national public holiday to mark the day of HM The Queen’s State Funeral and to re-arrange the pre-existing public holiday from 19th September 2022 to 24th October 2022.
- ii. That those employees required to work on either or both of those days are compensated in line with normal public holiday arrangements, and those not scheduled to work are given the equivalent time off on a pro rata basis.

DRAFT

Signed

Councillor Norman Hampshire
Council Leader and Convener of Cabinet

REPORT TO: Cabinet

MEETING DATE: 8 November 2022

BY: Executive Director for Council Resources

SUBJECT: Communication Strategy

2

1 PURPOSE

- 1.1 To seek approval of the Communication Strategy 2022.

2 RECOMMENDATIONS

- 2.1 Cabinet is recommended to:
- i. Approve the Communication Strategy 2022.

3 BACKGROUND

- 3.1 The Communication Strategy sets out the broad approach and actions which will be taken to engage with local communities about the work of the East Lothian Council. It summarises how the Council will make effective use of communications channels and platforms to promote important public information and campaigns in relation to essential services.
- 3.2 It aims to support delivery of the Council Plan 2022-27 with a particular focus on its vision for an even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.
- 3.3 It aims to build on work of the Communications Team since publication of the last strategy in 2017 whilst contributing to maintaining and developing good communications practice across the Council.

4 POLICY IMPLICATIONS

- 4.1 The Communication Strategy will not impact directly on existing policies but can assist with future policy development and promotion.

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 Communication Strategy will be delivered within existing financial resources.
- 6.2 Personnel - The Communications Team, supported by colleagues in other Services as required, will play a lead role in delivering the strategy.
- 6.3 Other - None

7 BACKGROUND PAPERS

- 7.1 None.

Appendix 1 – Communication Strategy 2022

AUTHOR'S NAME	Stewart Cooper
DESIGNATION	Team Manager - Communications
CONTACT INFO	scooper@eastlothian.gov.uk
DATE	5 October 2022

COMMUNICATION STRATEGY 2022-27



Enabling access to information for local residents, partners and community groups; from council services to news, initiatives, events and opportunities.

East Lothian Council's Communication Strategy 2022-27

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Introduction

East Lothian Council's vision is for an even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.

The council provides a variety of important services upon which almost every resident of East Lothian relies, at least to some extent.

Our Communication Strategy sets out the broad approach and actions we will take to engage with local communities whilst enabling residents to be well informed about the work of the council and to help make a difference in their area.

Since the last strategy was published in 2017, the council has continued to maximise opportunities arising from an increasingly multimedia landscape.

As well as seeking to maintain and build upon strong links with media and press organisations, we have continued to ramp up the council's social media presence and make use of digital platforms so that the council can connect audiences with relevant information at the right time and in the right place. Key pieces of work have included:

- The launch of a new council website
- A significant increase in social media engagement levels
- The publication of council brand guidelines, helping to ensure there is a consistent style, look and feel to council publications and digital assets
- In-house video production and editing in support of key projects
- Developing new employee communication methods and techniques
- Positive news coverage and campaigns from around the council – including work to protect and enhance the environment, develop the school estate, support the local economy, deliver new council housing and assist communities during the COVID-19 pandemic.

About us

The council has a small, in-house Communications Team with expertise in writing and editing, media relations, social media, graphic design, content design, web development, public and employee communications. The team provides advice and support for council services on a range of issues. Some of its work is not always visible yet adds considerable value in helping council services develop projects, construct messaging, cascade information and engage effectively.

The team has shown its adaptability and willingness to develop, both prior to and throughout the COVID-19 pandemic, acquiring new skills and adopting an increasingly multi-disciplinary approach through the likes of video production, photography and using new programmes or software to produce digital assets. Offering these skills internally can be cost-effective for the council, as it can minimise the need to outsource projects for specialist support – such as graphic design.

In May 2022, the team welcomed team members with specific responsibility for communications work in support of the East Lothian Health and Social Care Partnership.

Despite resourcing and capacity constraints which currently face much of the public sector, there is a very strong basis to build upon as we look ahead to the next five years.

Our aims and objectives

The Communications Team will provide joined up strategic and operational support which is firmly aligned with the overarching objectives of the Council Plan 2022-27:

- Recovery and renewal and invest in regeneration and a sustainable future
- Reduce poverty and support our communities to tackle inequality and social exclusion
- Respond to the climate and ecological emergency and meet our net zero climate change targets.

As well as helping residents to be engaged with and informed about the work of the council, the Communication Strategy also aims to directly contribute to delivering on the priorities highlighted in the Council Plan.

For example, successful promotion of opportunities to develop skills can improve employability of the workforce which in doing so, can help address challenges associated with economic recovery and inequality.

Also, the rollout of improved connectivity and promotion of opportunities to engage with services digitally/online, can make a direct contribution to the success of the council's digital transformation programme – which helps us operate increasingly efficiently and re-invest in frontline services.

The successful recruitment of foster carers, encouraged by effective promotion/recruitment campaigns, can contribute to better outcomes for young people.

Another opportunity is promoting opportunities for communities and individual residents to take simple steps that can 'make a difference' to help address the challenges of climate change, protect East Lothian's environment and in doing so contribute to a more sustainable county.

With an increased focus on strategic communications, effective forward planning and highlighting the role and value of the Communications Team throughout the organisation, we aim to:

- Deliver integrated, joined-up communications delivery in support of the Council Plan and Council Management Team (CMT) priorities
- Promote the council's vision, values and objectives to our workforce and throughout local communities. This includes work to grow the local economy, deliver quality affordable housing, tackle climate change, improve the environment, support vulnerable people, give children the best possible start in life and to enhance the school estate
- Produce communications materials which are accessible, consistently use simple, clear language and are produced in a cost-effective manner
- Enhance the council's reputation by using the right channels and communication methods to promote council news stories, events and consultations
- Maximise opportunities which harness new and increasingly effective communications tools, ensuring the council can reach audiences in the right way at the right time
- Play a leading contribution to the council's Digital Strategy. This includes contributing to an accessible, customer-focused website which serves as a gateway to other online services, helping the council to become increasingly effective and efficient, and as a valuable source of information to the public and partners
- Ensure East Lothian Council employees are fully informed regarding the work of the council and the transformation agenda. This includes maintaining a suite of internal communication

channels that enable employees to be updated and engaged on key developments and change projects, as well as being able to access the information and resources required to fulfil their roles effectively and to promote good health and wellbeing amongst the workforce.

Key audiences

Our approach to engaging is based on three key pillars of good communication:

Information - Providing the right information at the right time in the right way;

Reputation - Recognising that effective communication is fundamental to protecting the council's reputation as an organisation;

Participation - Encouraging people to become more involved in local decision-making.

Key audiences include:

- Local residents
- Service users
- Council employees
- Councillors
- Other elected representatives (MPs, MSPs)
- Community councils and other local groups
- The third sector
- The media
- Partner organisations
- The business community
- Schools and young people
- Tourists and visitors
- National government

Our approach to tailoring communications output/materials for these audiences is based on:

1. **Enabling-Leading-Caring (our council values)**

Building awareness of the council's vision, values and key priorities, and promoting local services to our communities. Ensuring employees are kept informed and understand their role in delivering services and meeting our priorities such as improving the local environment and tackling climate change.

2. **Publicity, reputation & engagement**

Developing clear, consistent, accessible, inclusive and engaging materials which promote services and share initiatives to our communities in a positive, sustainable and trustworthy manner.

3. **Best value**

By employing a primarily in-house, multi-platform, end-to-end approach to facilitate our work, we deliver a professional cost-effective, efficient, agile communications service.

4. Partnership working

We work in partnership with stakeholders to promote East Lothian as a dynamic and successful place in which to live, work and visit.

How we will plan our communications effectively

The Communications Team will maintain a forward planner setting out the news stories, campaigns and activities which will be delivered in support of Council Plan priorities.

Each entry in the forward planner will describe at least one 'key message' drawn from the 'overarching objectives' referenced above or key themes of the Council Plan:

- Grow our Economy/Prosperous – Increase sustainable and inclusive economic growth as the basis for a more prosperous East Lothian
- Grow our People/Fair – Give our children the best start in life and protect vulnerable and older people
- Grow our Communities/Community Minded – Give people a real say in the decisions that matter most and provide communities with the infrastructure and environment that will allow them to flourish
- Growing our Capacity – Deliver excellent services as effectively and efficiently as possible within our limited resources.

The news stories, campaigns and activities which are prioritised by the Communications Team must have a clear link to and be rooted in the objectives of the Council Plan.

To ensure there is a clear and consistent approach, the planner will regularly be reviewed by the Communications Manager and Head of Corporate Support, in consultation with the CMT.

Regular circulation of the planner amongst the wider Senior Management Team (SMT) will ensure that the communications activities being prioritised are visible to all. Planning effectively can ensure the council's message and position is clearly articulated and properly represented.

The way in which we deliver communications and messages will be reviewed regularly, with metrics such as social media engagement levels, website usage and press coverage evaluated and reported on.

A Communications Adviser will be assigned to all council services/departments. This means there will be a clear, single point of contact for services to collaborate with the Communications Team on priority activities. Where required, the Communications Adviser will draw upon other resources within the team – such as website development and graphic design – to deliver a co-ordinated, integrated service.

The Communications Manager, supported by team colleagues, will engage proactively with Service Managers and the CMT to plan ahead and develop successful campaigns. As required, team members will attend CMT and SMT meetings to discuss key issues, work together and help raise the profile of the team within the wider organisation.

How we will present a clear and consistent brand

Our Communication Strategy informs how we engage with the public, and our brand guidelines manage how we present this engagement.

A consistent approach to style, structure and tone across all communication environments is key to sharing, engaging and informing successfully. The components of our brand's identity system facilitate this approach; delivering clear, positive, recognisable, accessible and consistent engagement which support the council vision and reflect our values.

Our brand guidelines provide information on the use of these components; from the council logo, to colour palette, font family and hierarchy, statutory requirements, house style, imagery, signposting, social media and digital assets, correspondence, language, print, vehicle livery and promotional goods.

Looking ahead to the 2022-27 period, we expect the use of digital channels to continue to increase. Depending on the setting and audience, printed materials such as leaflets, posters and display items still fulfil an important role in informing residents and service users, alongside our digital assets.

Ensuring information is available in a range of accessible formats is required in order to avoid exclusion.

We will:

- Provide a comprehensive, in-house graphic design and creative advisory service for projects which are linked to key Communications Team activities and Council Plan priorities
- Advise services on the best format in which to deliver information – depending on the objectives and audiences of the project – exploring creative solutions which add value and help bring communications campaigns to life
- Continue to develop our brand guidelines, ensuring we maintain a clear identity system delivering a consistent style to cross-council publications, both in terms of aesthetics and language
- Build an image library and asset management system for resources, comprising a stock of high-quality photographs in support of communications objectives.
- Review and refresh guidance for employees on how to write/present public information or internal documents, accessibility and style.

How we will communicate with our employees

East Lothian Council's greatest strength is its people. The COVID-19 pandemic highlighted the extent to which council employees are versatile, resilient and willing to go the extra mile to adapt to challenging situations with a firm eye on the bigger picture – to deliver essential services to the people of East Lothian.

With more than 4,000 employees working in a variety of roles in different locations around East Lothian, there is a need to ensure that our people are informed, engaged and motivated to deliver on council priorities and have the opportunity to have their voices heard in achieving our shared council vision.

We need to recognise that the unique nature of council services, and the different and increasingly flexible ways in which our employees work, requires a dynamic and flexible approach. While many employees are regular users of computer systems and easily able to access information, others delivering frontline services and/or working within communities need and expect internal communications to be accessible in different ways.

By delivering effective communications to our employees, we can ensure everyone is updated on developments within the organisation and continue to play an effective role in shaping delivery.

Our employee communications output is based on our council values – Enabling, Leading and Caring.

Our output will promote the **behaviours** employees are actively encouraged to demonstrate in support of these values:

- **WORK TOGETHER**
- **BE THE BEST WE CAN BE**
- **INITIATE & EMBRACE CHANGE**
- **MAKE THINGS HAPPEN**
- **BE CUSTOMER FOCUSED**

We will:

- Carry out an employee communications audit to gauge opinion on the quality, effectiveness and reach of our internal platforms
- Ensure the council's vision, values and priorities have clear visibility throughout the organisation
- Produce dynamic content for staff which helps employees understand how all roles contribute to achieving the shared council vision
- Continue to develop our e-magazine, **Inform**, which contains a variety of content and is accessible to all employees regardless of their location, on work or personal devices
- Work with the Healthy Working Lives team to promote positive wellbeing and practical support for employees
- Recognising flexible ways of working, we will develop new methods for CMT and managers to engage with employees and maintain visibility – for example through the use of online 'town hall' meetings, Microsoft Teams and video content where appropriate
- Support services in making information/resources available for employees via the intranet, particularly in the context of hybrid working
- Explore new ways of improving the flow of information between managers throughout the council
- Collaborate with services to celebrate the successes and achievements of council employees through initiatives which recognise and reward excellence.

How we will develop our council website and intranet

The council website has always been a valuable source of information for local residents, service users, community organisations and partners. In 2021, we had more than 9m page views – an 8.5% increase on 2020 and 168% more than in 2019.

In recent years, the website has become an increasingly popular gateway for people to transact with the council and access/use our online services – for example to report a pothole, order new recycling boxes or to pay a bill.

The current website was launched in Spring 2018, with a focus on being more accessible and mobile responsive. Two thirds of all users now view the council website on a mobile device.

While the current website continues to serve the council well, it is recognised that we must maintain the pace of development to support the council's Digital Strategy and to keep up with the changing technological landscape.

The success of the council website has a critical role to play as it signposts to online services maintained by other council departments – such as myeastlothian, the new customer platform.

As highlighted earlier, the rollout of improved connectivity and promotion of opportunities to engage with services digitally/online, can make a direct contribution to the success of the council's digital transformation programme – which helps us operate increasingly efficiently and re-invest in frontline services.

The council's intranet is largely a resource where useful information about council policies and procedures is stored. It also signposts to other resources such as the staff directory and myHR. With the rollout of other digital projects in the council to improve information storage and flow between employees and teams, it is important to ensure that the intranet continues to be relevant and has a clear purpose.

We will:

- Continue working with our current website and service provider in the medium term pending longer term consideration of the council's website requirements
- Instigate a new website steering group comprising internal stakeholders and customer representation, taking account of current and future customer needs, technological developments and legislative and regulatory requirements
- Work with the steering group on a 'road map' which identifies the council's future web needs, aligned with the rollout of the new Digital Strategy and transformation programme to inform future procurement requirements
- Work alongside trained web editors and champions in each council service to maintain the website and keep the content up-to-date
- Ensure web content is written to a high standard and audited regularly
- Oversee the ongoing maintenance of the content management system used to maintain the website and intranet
- Ensure that the guidelines, protocols and standards for publishing content on the website and intranet are consistent with the council's brand guidelines and current accessibility regulations
- Ensure that the intranet enables employees to access key information in relation to council policy and support for staff

- Progress with an Intranet Development Strategy to ensure that future intranet requirements are progressed in line with initiatives under the council’s Digital Strategy which improve information storing and sharing internally
- Develop training programmes to raise awareness of web and intranet developments, relevant legislation and working practices and to manage site content
- Prepare reports on website use and conduct quality assurance checks and benchmarking to ensure the council’s website keeps pace with developments in local government
- Support the council’s wider digital transformation agenda for the benefit of residents and customers. This includes providing expertise as part of project teams
- Maintain close links with the IT development team to ensure the smooth integration of myeastlothian, the new customer platform, via the corporate website.

How we will work with journalists and the media

Although the way in which some people receive their news has evolved in recent years, many East Lothian residents rely on media (including newspapers, websites, radio and TV) for news and information about local issues and council services.

In some respects, it is easier than ever before for people to read local news stories. For example, newspapers publish many of their stories online and signpost to these via social media, which in turn can be shared by people with their friends and amongst online groups.

That’s why working with journalists and the media is one of the most important aspects of the work of the Communications Team.

In 2021, the Communications Team dealt with more than 900 media enquiries. The number of media enquiries has remained broadly consistent in recent years.

While we receive a large number of such media enquiries (from local, regional and national outlets), the proactive issuing of news stories helps to ensure that news organisations – and in turn local residents and communities – are up-to-date with the latest developments from East Lothian Council. It also helps to contextualise some of the challenges and constraints facing the council, as well as highlighting ways in which it is working to build on improvements to services. Almost 300 such stories were issued in 2021 – an increase of 40% on the previous year.

We will:

- Continue to work constructively with journalists from local media organisations, maintaining positive relationships and being approachable
- By using the communications forward planner, develop proactive news stories aligned to the priorities of the Council Plan – for example news releases/briefings complemented by quotes from the relevant council spokesperson as well as third party comments where appropriate; use of pictures, videos, infographics and digital communications
- Offer advice to council officers on the media environment and how to position stories
- Provide a reactive service to respond to media enquiries during office hours.

How we will make effective use of social media

Social media enables individuals or organisations to share information, ideas and comment through online or web-based networks and communities. It allows people to express themselves, build a direct audience or community, and make new connections. It can help bring people together, both at a local level and across boundaries. This can be beneficial in terms of building awareness of issues where there is a common interest and to exchange thoughts on topics of relevance or concern.

The ways in which people engage with social media has continued to evolve in recent years, with it becoming easier to access various platforms through use of mobile phones and other hand-held devices.

East Lothian Council has continued to experience growth in the number of people engaging with its social media channels. In 2021, we shared more than 1,000 posts on both Twitter and Facebook – reaching a combined audience of 33m people. This means it has become a very effective way of getting information to people (both local residents and even further afield) in a very direct and personal manner.

The value of social media has often been underlined during times of crisis, such as severe winter weather and during the COVID-19 lockdown when we have been able to share important public information quickly.

We will:

- Devise a new council social media policy as a framework which sets out how social media should be used appropriately across East Lothian Council to help achieve council priorities and articulate our vision. The policy will set out best practice principles which help the council communicate effectively with local communities and stakeholders, helping us to share information about key news stories, events, campaigns and consultations which are focused on creating a more prosperous East Lothian
- Continue to develop the council's main corporate social media channels (including Twitter, Facebook, Instagram and YouTube) whilst exploring opportunities to capitalise on new and emerging platforms which have the potential to reach an even wider audience
- Expand use of LinkedIn to promote council services appropriately through professional networks
- Provide advice and support to autonomous, departmental social media accounts as well as schools, in line with the updated social media policy, ensuring these are aligned with Council Plan priorities
- Using the communications forward planner, we will use existing corporate social media channels to promote council news stories, campaigns, events and consultations to the widest possible audience
- Work with Customer Services to agree a co-ordinated approach to the handling of customer service enquiries via social media channels
- To show the human side of the council and underline its essential role and value, we will regularly profile council employees on social media as part of our 'Meet Us' feature, using pictures or video to introduce the worker and highlight how their role contributes to achievement of the Council Plan.

How we will develop new, innovative ways of communicating

While communications teams are continuing to make a transition to increased use of digital technology and channels, there can still be a place for traditional formats including print. For many years the council published a regular newspaper for residents, highlighting important news and service related-information.

We will:

- Work with services to assess requirements for printed publications to reach local residents, such as Homefront magazine for tenants
- Continue to develop our approach to use of video production, exploring opportunities for learning and development, to ensure video content can be generated where it adds extra value for internal and external audiences
- Maximise available technology and software for video production, e-newsletters, social media and graphic design.

A mixed approach – and being able to determine the right and most accessible format of communication to target the relevant audience – is needed and, depending on service requirements, we will keep the need for printed material (such as a resident newspaper) under review.

How we will evaluate the effectiveness of communications work

Our communication activities need to be evaluated like any other service. Doing so means we can demonstrate how an effective Communication Strategy supports the achievement of Council Plan priorities and enhanced reputation.

We will:

- Ensure that, where possible, communication goals are linked to service improvement targets
- Use residents' surveys, focus groups, feedback and evaluation of media coverage as key measurement tools in assessing the success of our strategy
- Measure the balance of positive, negative and neutral media coverage as well as social media messaging and sentiment, to highlight which platforms and channels have worked effectively
- Produce reports measuring the outcome of activities/projects which have received communications support – for example attendance at events, consultation participation or behaviour change
- Report regularly to CMT on the success or otherwise of communications activity.

Conclusion

This Communication Strategy has set out the high level aims and approach which will be taken during 2022-27 in support of East Lothian Council's vision for an even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.

The strategy recognises that the communications landscape continues to evolve, requiring flexible approaches and a responsive Communications Team who will work to help employees, residents and other stakeholders be informed and engaged regarding the activities of East Lothian Council.

In doing so the Communications Team will become increasingly strategic and multi-disciplinary, working to maintain East Lothian Council's reputation as a high-performing local authority.

REPORT TO: Cabinet
MEETING DATE: 8 November 2022
BY: Executive Director for Place
SUBJECT: Charging for Road Construction Consents (RCCs)

3

1 PURPOSE

To seek approval for the proposed approach to charging for Road Construction Consents (RCCs) within Road Services in East Lothian Council.

2 RECOMMENDATIONS

- 2.1 That Cabinet approves the introduction of RCC charges set at a rate to allow cost recovery through implementing a charge per metre of road, from 1st April 2023. This proposal is in line with East Lothian's Charging Policy and will support the delivery of the Council's approved budget.

3 BACKGROUND

- 3.1 The Roads (Scotland) Act 1984, explicitly allows a councils to charge a developer for all reasonable costs associated with entry and inspection of roads and their associated infrastructure. ELC, along with many other councils, have traditionally charged for the onsite inspections required to control construction and design standards of roads to be adopted by the Roads Authority for public use and subsequently added to the list of public roads.
- 3.2 Under the Road Scotland Act 1984 Section 140(6) ELC is entitled to recover reasonable costs for inspecting and remediating work carried out under an RCC and also 'ascertaining whether any work required to be done by or under this Act ... has been done'.
- 3.3 Via the Local Government (Scotland) Act 2003, local authorities are granted the power to impose reasonable charges for anything done by the authority under section 20. Section 20 includes the power of doing anything which is considered likely to promote or improve well-being.

3.4 This approach is also supported by the established ELC Charging Policy which is predicated on the Best Value principles of:

- *The users of a service should pay for the delivery of the service, unless it is fully universally accessed.*
- *A service provided to commercial organisations should operate on a cost recovery basis as a minimum.*
- *A service that is not universally accessed by all residents or delivered to support residents facing disadvantage, should not be subsidised through local and general tax contributions.*

Therefore services such as processing and issuing RCCs should not be paid for out of general service budgets

3.5 ELC Road Services spends a considerable amount of time processing and approving RCCs to ensure that new transport infrastructure is built to the required standards, and that ongoing maintenance costs are minimised including advising applicants on the framing of their applications, guidance on how to improve failing applications, site meetings etc. These professional services are carried out by highly trained specialists. Considering the financial context and current demand for this service there is need to take a commercial approach introducing service charges for processing and issuing RCCs.

3.6 Road Services are consultees of the Planning Service, providing feedback and recommendations on planning applications. This allows checks for potential road safety issues, and flags any conflicts with parking and other roads policies.

3.7 Additionally, Road Services process RCC's for those developments where a new road is proposed for eventual adoption by East Lothian Council (addition to the list of public roads, under the Roads (Scotland) Act 1984). This is a lengthy process requiring the checking of developers' proposals against our layout and engineering standards, and ensuring that the correct documentation is in place regarding flooding, structures, drainage, lighting and car charging infrastructure.

3.8 Currently the Roads department undertakes road construction consents work free of charge to developers, except to charge an hourly rate for site inspections to ensure that construction is in accordance with the approved plans. This project proposes to charge for this service to recover the costs East Lothian council incurs.

3.9 A benchmarking exercise was undertaken with councils across the UK, with support from the ELC Legal Service to advise on the legislative positions in Scotland and England and to confirm that ELC is able to raise this charge.

- 3.10 An options appraisal was carried out to analyse a number of options for calculating a charge to recover costs, and implement that charge. The preferred option, charging per metre of road, was evaluated as the most transparent and simplest to administer. It is also easy for the developer to calculate up-front.
- 3.11 The proposed charging approach includes a fixed fee of £500 per application, £35 per metre for the first 100 linear metres then £20 per metre for each subsequent linear metre and £5 for each linear metre of path. Therefore, for the 'average' RCC the charge would be $\{£500 + (£35 \times 100m) + (£20 \times 290m)\} = £9,800$ excluding paths. The charges have been developed in conjunction with the Road Service and Finance.
- 3.12 By using this method anyone needing a road construction consent can clearly see the costs. The benefit to ELC is that it will recover the costs of providing the service and developers will receive a more efficient and effective service as it will be fully funded and therefore better resourced.
- 3.13 In 2016, the [Chief Planner for Scotland recommended](#) that councils work to align the RCC and Planning processes. Early input into the planning process will help to ensure that the RCC process is more efficient with earlier completion through the formal process once detailed planning is approved. Therefore this service charge proposes that ELC run the initial informal RCC and planning processes in parallel. And also complete the RCC (and associated) paperwork and provide professional services through the whole life of the RCC until final (formal) roads adoption.
- 3.14 Following the approval, communications will be issued to developers and the council website will be updated to include information on RCC for customer guidance. The RCC policy documents will be developed and made available before implementation of these charges. A payment process will be set up through the ELC customer portal which will include request and pay for the service, invoice for the client, generate a unique reference for roads and client and allow the client to attach drawings, specifications and other information relevant to the road construction consents.

4 POLICY IMPLICATIONS

- 4.1 The proposed approach to charging for Road Construction Consents (RCCs) recommended above follow the guidance in East Lothian Council's Charging Policy.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report has been through the Integrated Impact Assessment process and no negative impacts have been identified.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – Depending on the number of RCC applications the proposed charge could generate income on a cost recovery basis of approximately £260K per annum (NB - this is based on the previous 3 years RCC applications and is therefore a forecast of the estimated level of development roads to come which we cannot predict with full certainty or control) and will cover the cost of the work estimated for 2023/24.
- 6.2 Personnel - The income from the proposed charge will fund existing and additional resources (existing cost £163k + additional cost £97k) for the Road Service to deliver the improved RCC process. The following resources have been proposed:
- 0.55 Grade 7
 - 2.50 Grade 9
 - 0.60 Grade 10
- 6.3 Other - The Road Service will keep full records of RCCs processed and income generated. Charges will be kept under yearly review as part of the annual budget setting process.

7 BACKGROUND PAPERS

- 7.1 None.

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DATE	

REPORT TO: Cabinet

MEETING DATE: 8 November 2022

BY: Executive Director for Education and Children’s Services

SUBJECT: Sustainable Hourly Rate for Partner Providers Delivering 1140 hours of Early Learning and Childcare

4

1 PURPOSE

1.1 To seek Cabinet approval of a sustainable hourly rate to be paid by East Lothian Council to Early Learning and Childcare (ELC) partner providers in the Private, Voluntary and Individual (PVI) sectors, to deliver funded early learning and childcare from August 2022. This is in line with guidance from the Scottish Government that requires all local authorities to review and set a sustainable rate for private providers.

2 RECOMMENDATIONS

Cabinet is asked to:

- 2.1 Note the review of the hourly rate to be paid to PVIs delivering Early Learning and Childcare as outlined in this report.
- 2.2 Agree an increase from £5.31 per hour, currently paid for both eligible 2 year olds and eligible 3 – 5 year olds to be a separate amount payable with effect from August 2022, as follows :

Eligible 2 year olds	£7.90 per hour
Eligible 3 – 5 year olds	£6.39 per hour

2.3 Note that the cost of providing a lunch will no longer be a separate payment and the calculation of the new hourly rate includes lunch costs.

- 2.4 Agree that the hourly rate is uplifted to support children who have been identified and agreed as meeting the criteria for exceptional additional support needs. Exceptional additional support needs has 3 levels and therefore the uplift will be allocated over 3 levels, with an increase to the new hourly rate of 40%, 60% or 80% to enable PVI settings to provide additional support to meet the needs of those children.
- 2.5 Agree to review the hourly rate annually from the date of this report.

3 BACKGROUND

- 3.1 Under section 47(1) of the Children and Young People (Scotland) Act 2014, education authorities must ensure that the statutory amount of funded early learning and childcare entitlement is made available for each eligible child.
- 3.2 The Scottish Government requires Councils to establish and pay a rate that ensures sustainability, reflects national policy priorities and enables reinvestment for ELC partner providers. [Annex A: Payment of sustainable rates for the delivery of funded early learning and childcare from August 2022 - Funding Follows the Child and the National Standard for Early Learning and Childcare Providers: interim guidance - update - gov.scot \(www.gov.scot\)](#)
- 3.3 The Scottish Government have recently completed a cost collection exercise for private and voluntary nurseries and childminders to ascertain the hourly cost of providing early learning and childcare across the country.

The proposed hourly rate to be paid to partner nurseries for the provision of ELC has been calculated taking account of the following;

- The prices charged by private nursery providers
- The existing hourly rate of £5.31 taking into account the increase in the real living wage (£10.90 Per hour) and additional costs incurred by providers due to inflation.
- An Ipsos MORI data collection exercise commissioned by the Scottish Government. (Appendix 2)
- The staffing ratios of 1:5 to provide early learning and childcare for 2 year olds compared to 1:8 for 3 – 5 year olds in nursery settings.
- The reduction of available places with childminders when accommodating 2 year olds.
- Benchmarking against neighbouring authorities

- 3.4 The findings were as follows :

- **Charges by private provider nurseries**

Nursery	2year old full day charge	3 – 5 year old full day charge	Averaged hourly charge 2 – 5 year olds (10hr day)	
Almond Park	£59.00	£61.00	£6.00	
Argyle Bridge	£58.00	£58.00	£5.80	
Musselburgh Kindergarten	£60.00	£60.00	£6.00	
Musselburgh Private	£56.00	£56.00	£5.60	
Links	£59.00	£59.00	£5.90	
Camperdown	£50.00	£50.00	£5.00	
Seahorse	£60.60	£56.50	£5.86	
Cherrytree	£61.75	£60.75	£6.13	
Fenton Barns	£67.00	£73.00	£7.00	
Average hrly charged			£5.92	

- **Ipsos MORI data.**

Private nursery providers in East Lothian were invited to participate in the Ipsos Mori data collection exercise. Participation rates were low and as a result Ipsos MORI data had to use the South East Improvement Collaborative information to establish the hourly rate. The Ipsos MORI data is attached as Appendix 1.

Appendix 2 provides a summary of data used to calculate the sustainable hourly rate from the Ipsos MORI return.

- **The hourly rate agreed by neighbouring Authorities**

Scottish Borders	2 year olds	£6.55 plus £2.40 lunch
Scottish Borders	3-5 year olds	£6.21 plus £2.40 lunch

Edinburgh	2 year olds	£6.48 plus £3.10 lunch
Edinburgh	3 – 5 year olds	£6.03 plus £3.10 lunch
Midlothian		Have still to confirm rates

3.5 The proposed hourly rate must be affordable to the Council from the 1140 hours specific grant received from the Scottish Government, whilst also enabling PVI partners to be sustainable, pay employees the real living wage, reinvest in their service and provide high quality ELC in line with the National Standard and East Lothian Council’s contractual conditions.

3.6 In addition PVIs have access to training and support from the Council’s Early Years Officers, Outreach Early Years Teachers and Psychological Services.

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 Scottish Government currently provides ring-fenced funding to support the delivery of enhanced early learning and childcare. During financial year 2022/23 the settlement from Scottish Government to East Lothian Council for the delivery of 1140 hours has been reduced by £1.2m. Subject to approval of this new rate, the overall costs of the 1140 programme must be met within the available budget.

6.2 Based on the estimated number of children accessing 11 Private, 2 Voluntary and 33 Individual partner ELC settings, the projected additional costs for financial year 2022/23 would be £8,206. This will be met from the available budget for 2022/23.

6.3 The full year 2023/24 estimated additional costs for eligible two to five year olds would be £ £811,273. This is assuming the Council is in partnership with 15 private nurseries, 2 in the voluntary sector and 33 childminders.

6.4 If no additional funding is provided by the Scottish Government the increase in costs will have to be met from the budget allocated to the Early Years' Service, and as such this may require a change to existing service delivery models.

6.5 Personnel - none

6.6 Other - none

7 BACKGROUND PAPERS

7.1 None.

Appendix 1 – Ipsos MORI collection data

Appendix 2 – Modelling used to determine sustainable hourly rate

AUTHOR'S NAME	Fiona Brown
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DATE	21 October 2022

Author: Chris Martin
 Date: 10th May
 Version: V3D1_East Lothian

Table number Table title

- Contextual 1 Sample sizes
- Contextual 2 Currently provides funded places for funded 2 year-olds?
- Contextual 3 Currently provides funded places for 3-5 year-olds?
- Contextual 4 Estimated proportion of total hours delivered to 0-1 year-olds
- Contextual 5 Estimated proportion of total hours delivered to 2 year-olds
- Contextual 6 Estimated proportion of total hours delivered to 3-5 year-olds
- Cost 1 Average total cost per hour of ELC provided to 0-5 year-olds
- Cost 2 Average total cost per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type
- Cost 3 Average STAFF costs per hour of ELC provided to 0-5 year-olds
- Cost 4 Average STAFF costs per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type
- Cost 5 Average RENT/MORTGAGE cost per hour of ELC provided
- Cost 6 Average RENT/MORTGAGE costs per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type
- Cost 7 Average UTILITIES cost per hour of ELC provided
- Cost 8 Average UTILITIES costs per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type
- Cost 9 Average CONSUMABLES cost per hour of ELC provided
- Cost 10 Average CONSUMABLES costs per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type
- Cost 11 Average EXTERNAL CATERING cost per hour of ELC provided
- Cost 12 Average PLAY AND LEARNING EQUIPMENT cost per hour of ELC provided
- Cost 13 Average PLAY AND LEARNING ACTIVITIES cost per hour of ELC provided
- Cost 14 Average STAFF TRAINING cost per hour of ELC provided
- Cost 15 Average ICT AND OFFICE cost per hour of ELC provided
- Cost 16 Average TRANSPORT cost per hour of ELC provided
- Cost 17 Average BUILDING MAINTENANCE cost per hour of ELC provided
- Cost 18 Average BUILDING SERVICES cost per hour of ELC provided
- Cost 19 Average BUSINESS RATES cost per hour of ELC provided
- Cost 20 Average OTHER TAXES cost per hour of ELC provided
- Cost 21 Average OTHER costs per hour of ELC provided
- Cost 22 Average salary costs of different types of employee

Cost 23 Average salary costs of FT early years practitioner - deciles by RIC/LA etc.

Fees 1 Average hourly fees - 4 year-olds

Fees 2 Average hourly fees - 3 year-olds

Fees 3 Average hourly fees - 2 year-olds

Income 1 Annual income from parents

Income 2 Annual income from government or council funding

Income 3 Proportion of staff paid at the living wage

Income 4 Average salary of staff paid below living wage

Expectations 1 Expectations of growth/contraction of setting

Expectations 2 Expectations of staff cost inflation

Expectations 3 Expectations of utility cost inflation

Expectations 4 Expectations of premises cost inflation

Expectations 5 Expectations of other cost inflation

Expectations 6 Expectations of level of fee increases

RIC by sector

	Not-for-profit/Vol/Soc Econ	Private provider	Total
South East Improvement Collaboratio	24	30	54

LA by sector

	Not-for-profit/Vol/Soc Econ	Private provider	Total
East Lothian	*	*	2

RIC by number of registered places banded.

	Up to 30	31 to 50	51+	Total
South East Improvement Collaboration	22	12	20	54

LA by number of registered places banded.

	Up to 30	31 to 50	51+	Total
East Lothian	*	*	*	2

QB3 - Do you currently provide any government or council funded early learning and childcare places for eligible 2 year-olds?

		Yes	No	Don't know	Sample size
RIC	South East Improvement Collaboration	33%	67%	0%	54

QB3 - Do you currently provide any government or council funded early learning and childcare places for eligible 3-5year-olds?

		Yes	No	Sample size
RIC	South East Improvement Collaboration	94%	6%	54

Proportion of total childcare hours provided to 0-1 year-olds

		Mean	Median	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	10%	6%	11%	54

Proportion of total childcare hours provided to 2 year-olds

		Mean	Median	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	18%	20%	15%	54

Proportion of total childcare hours provided to 3-5 year-olds

		Mean	Median	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	72%	69%	21%	54

Average total costs per hour of ELC provided to 0-5s

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£4.60	£5.44	£2.82	54

Total costs per hour of ELC provided to 0-5s - quartiles by area

		Percentile 10	Percentile 20	Percentile 30	Percentile 40	Median	Percentile 60	Percentile 70	Percentile 80	Percentile 90	Sample size	
	RIC	South East Improvement Collaboration	£3.35	£3.72	£4.16	£4.42	£4.60	£4.96	£5.43	£6.01	£8.43	54
South East Improvem ent Collaborat	Registered places banded	Up to 30	*	£3.72	*	*	£4.71	*	*	£5.83	*	22
		31 to 50	*	*	*	*	£4.65	*	*	*	*	12
		51+	*	£3.53	*	*	£4.52	*	*	£7.86	*	20
	Sector	Not-for-profit/Voluntary/Social Economy	*	£4.25	*	*	£4.71	*	*	£5.73	*	24
		Private provider	*	£3.43	*	*	£4.55	*	*	£7.86	*	30

Average staff cost per hour of ELC provided.

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£3.50	£3.87	£1.61	54

Staff costs per childcare hour quartiles

		Percentile 10	Percentile 20	Percentile 30	Percentile 40	Median	Percentile 60	Percentile 70	Percentile 80	Percentile 90	Sample size	
	RIC	£2.44	£2.61	£2.99	£3.31	£3.50	£3.89	£4.07	£4.70	£5.88	54	
South East Improve ment Collabora	Registered places banded	South East Improvement Colla	*	*	*	*	*	*	*	*	22	
		Up to 30	*	£2.61	*	*	£3.73	*	*	£4.70	*	22
		31 to 50	*	*	*	*	£3.85	*	*	*	*	12
		51+	*	£2.43	*	*	*	*	£5.28	*	20	
	Sector		*	£2.99	*	*	*	*	£3.94	*	24	
		Not-for-profit/Voluntary/Soci	*	£2.99	*	*	*	*	£3.94	*	24	
		Private provider	*	£2.53	*	*	*	*	£3.30	*	30	
			*	£2.53	*	*	*	*	£3.30	*	30	

Average Rental/mortgage costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboratio	£0.25	£0.33	£0.42	54

Rent/mortgage costs per childcare hour

		Percentile 10	Percentile 20	Percentile 30	Percentile 40	Median	Percentile 60	Percentile 70	Percentile 80	Percentile 90	Sample size	
	RIC	South East Improvement Collaborati	£0.02	£0.06	£0.19	£0.23	£0.25	£0.29	£0.32	£0.44	£0.64	54
South East Improvement Collabora	Registered places banded	Up to 30	*	£0.09	*	*	£0.27	*	*	£0.47	*	22
		31 to 50	*	*	*	*	£0.21	*	*	*	*	12
		51+	*	£0.10	*	*	£0.27	*	*	£0.35	*	20
South East Improvement Collabora	Sector	Not-for-profit/Voluntary/Social Econ	*	£0.05	*	*	£0.24	*	*	£0.32	*	24
		Private provider	*	£0.15	*	*	£0.29	*	*	£0.46	*	30

Average Utilities costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.06	£0.09	£0.10	54

Utilities costs per childcare hour

		Percentile 10	Percentile 20	Percentile 30	Percentile 40	Median	Percentile 60	Percentile 70	Percentile 80	Percentile 90	Sample size
RIC	South East Improvement Collaboration	£0.00	£0.02	£0.04	£0.05	£0.06	£0.07	£0.09	£0.15	£0.19	54

Average Consumables costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.14	£0.15	£0.11	54

Consumables costs per childcare hour

		Percentile 10	Percentile 20	Percentile 30	Percentile 40	Median	Percentile 60	Percentile 70	Percentile 80	Percentile 90	Sample size
RIC	South East Improvement Collaboration	£0.02	£0.04	£0.08	£0.10	£0.14	£0.15	£0.19	£0.25	£0.34	54

Spend on external catering costs per hour of childcare given

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.00	£0.09	£0.12	54

Average Play and learning equipment costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collabo	£0.08	£0.12	£0.11	54

Average Play and learning activities costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.00	£0.02	£0.03	54

Average staff training costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.02	£0.03	£0.03	54

Average ICT and offices supplies costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.03	£0.04	£0.04	54

Average Transport costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.00	£0.03	£0.08	54

Average building maintenance costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.07	£0.24	£0.93	54

Average building services costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.01	£0.06	£0.11	54

Average business rates costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.00	£0.14	£0.92	54

Average other tax costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.00	£0.14	£0.35	54

Average other costs per hour of ELC provided

		Median	Mean	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£0.06	£0.10	£0.17	54

Average salary costs of different types of employee

		Full-time manager			Part-time manager			Full-time EY supervisor			Part-time EY supervisor			Full-time EY practitioner			Part-time EY practitioner			Trainee			
		Median	Mean	Valid N	Median	Mean	Valid N	Median	Mean	Valid N	Median	Mean	Valid N	Median	Mean	Valid N	Median	Mean	Valid N	Median	Mean	Valid N	
	RIC																						
		South East Improvement Collaboration	£30,000	£29,366	41	£16,642	£16,750	10	£23,106	£22,873	32	*	*	6	£19,924	£19,383	42	£13,877	£14,619	12	£15,100	£15,134	26
		Up to 30	£24,187	£24,908	12	*	*	9	*	*	5	*	*	4	£17,480	£17,426	13	*	*	9	*	*	6
		31 to 50	£30,680	£29,518	11	*	*	0	£23,903	£22,937	10	*	*	2	£21,066	£20,370	10	*	*	2	*	*	6
		51+	£34,900	£32,246	18	*	*	1	£22,917	£23,286	17	*	*	0	£20,384	£20,202	19	*	*	1	£15,388	£15,125	14
South East Improvement Collabora	Sector	Not-for-profit/Voluntary/Social Economy	£25,400	£25,431	14	*	*	9	*	*	5	*	*	6	£19,430	£18,336	12	£13,877	£14,619	12	*	*	6
		Private provider	£32,000	£31,407	27	*	*	1	£22,917	£22,898	27	*	*	0	£20,202	£19,802	30	*	*	0	£14,780	£14,746	20

Average salary costs of Full-time Early Years Practitioners, deciles

		Percentile 10	Percentile 20	Percentile 30	Percentile 40	Median	Percentile 60	Percentile 70	Percentile 80	Percentile 90	Sample size		
	RIC	South East Improvement Collaboration	£15,048	£17,480	£19,020	£19,158	£19,924	£20,384	£20,800	£21,125	£21,840	42	
South East Improvement Collaboration	Registered places banded	Up to 30	*	*	*	*	£17,480	*	*	*	*	13	
		31 to 50	*	*	*	*	£21,066	*	*	*	*	10	
		51+	*	*	*	*	£20,384	*	*	*	*	19	
	Sector	Not-for-profit/Voluntary/Social Economy	*	*	*	*	£19,430	*	*	*	*	*	12
		Private provider	*	£18,239	*	*	£20,202	*	*	£21,170	*	*	30

Average fee per hour 4 year-olds

		Mean	Median	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£4.71	£4.92	£2.21	54

Average fee per hour 3 year-olds

		Mean	Median	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£4.78	£4.92	£2.11	54

Average fee per hour 2 year-olds

		Mean	Median	Standard Deviation	Sample size
RIC	South East Improvement Collabo	£5.10	£5.03	£1.96	54

QE4a - Total ANNUAL income from fees and additional charges paid by parents

		Mean	Median	Standard Deviation	Sample size
RIC	South East Improvement Collaboration	£170,248	£123,000	£197,835	41

QE5a - Total ANNUAL income from government or council funding of ELC places

		Mean	Median	Standard Deviation	Valid N
RIC	South East Improvement Collaboration	£145,602	£133,334	£88,635	47

QG1 Proportion of staff paid under the Living Wage

	South East Improve ment Collabor ation
None, less than 1% of Staff	23
Up to 10% of staff	0
10 to 20%	9
20 to 30%	3
30 to 40%	5
40 to 50%	3
50 to 60%	2
60 to 70%	3
70 to 80%	0
80 to 90%	3
90% or above	1
Sample size	52

QG2 Average staff salary of staff paid under the Living Wage

Mean and Median

		Mean	Median	Standard Deviation	Valid N
RIC	South East Improvement Collaboration	£8.96	£9.50	£1.00	28

Banded

	RIC
	South East Improvement Collaboration
Up to £6	0
£6-£7	5
£7-£8	0
£8-£9	2
£9 to £9.89	21
Total	28

QH1 Expecations of what will happen in next year.

		Expand (cater for more children or provide more hours of childcare in total)	Stay the same size of childcare in total)	Close down altogether	Don't know	Sample size
RIC	South East Improvement Collaboration	15%	74%	6%	0%	54

QH2a - "In the next year, how much do you expect Staff costs to rise? (Inflation is currently around 5%)"

		A lot less than inflation	A little less than inflation	Around inflation	A little more than inflation	A lot more than inflation	Don't know	Sample size
RIC	South East Improvement Collaboration	6%	6%	22%	24%	31%	11%	54

QH2b - "In the next year, how much do you expect Gas and electricity costs to rise? (Inflation is currently around 5%)"

		A lot less than inflation	A little less than inflation	Around inflation	A little more than inflation	A lot more than inflation	Don't know	Sample size
RIC	South East Improvement Collaboration	4%	0%	4%	9%	59%	24%	54

QH2c "In the next year, how much do you expect Costs of premises to rise? (Inflation is currently around 5%)"

		A lot less than inflation	A little less than inflation	Around inflation	A little more than inflation	A lot more than inflation	Don't know	Sample size
RIC	South East Improvement Collaboration	4%	0%	35%	15%	28%	19%	54

QH2d - "In the next year, how much do you expect Other costs to rise? (Inflation is currently around 5%)"

		A lot less than inflation	A little less than inflation	Around inflation	A little more than inflation	A lot more than inflation	Don't know	Sample size
RIC	South East Improvement Collaboration	0%	4%	22%	26%	35%	13%	54

QH3 "Finally, the next year, how much do you expect the fees your charge to parents to increase? (Inflation is currently around 5%)"

		No increase	An increase of less than inflation	An increase in line with inflation	An increase of little more than inflation	An increase of much more than inflation	Don't know	Sample size
RIC	South East Improvement Collaboration	0%	19%	29%	14%	29%	10%	21

Data used to calculate a sustainable hourly rate

Ipsos MORI data

	Average	
Cost 1 Average total cost per hour of ELC provided to 0-5 year-olds	5.44	
Cost 2 Average total cost per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type	6.01	80th percentile
Cost 3 Average STAFF costs per hour of ELC provided to 0-5 year-olds	3.87	
Cost 4 Average STAFF costs per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type		
Cost 5 Average RENT/MORTGAGE cost per hour of ELC provided	0.33	
Cost 6 Average RENT/MORTGAGE costs per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type		
Cost 7 Average UTILITIES cost per hour of ELC provided	0.09	
Cost 8 Average UTILITIES costs per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type		
Cost 9 Average CONSUMABLES cost per hour of ELC provided	0.15	
Cost 10 Average CONSUMABLES costs per hour of ELC provided to 0-5 year-olds – cost quartiles by provider type		
Cost 11 Average EXTERNAL CATERING cost per hour of ELC provided	0.09	
Cost 12 Average PLAY AND LEARNING EQUIPMENT cost per hour of ELC provided	0.12	
Cost 13 Average PLAY AND LEARNING ACTIVITIES cost per hour of ELC provided	0.02	
Cost 14 Average STAFF TRAINING cost per hour of ELC provided	0.03	
Cost 15 Average ICT AND OFFICE cost per hour of ELC provided	0.04	
Cost 16 Average TRANSPORT cost per hour of ELC provided	0.03	
Cost 17 Average BUILDING MAINTENANCE cost per hour of ELC provided	0.24	
Cost 18 Average BUILDING SERVICES cost per hour of ELC provided	0.06	
Cost 19 Average BUSINESS RATES cost per hour of ELC provided	0.14	
Cost 20 Average OTHER TAXES cost per hour of ELC provided	0.14	
Cost 21 Average OTHER costs per hour of ELC provided	0.1	
Cost 22 Average salary costs of different types of employee		
Cost 23 Average salary costs of FT early years practitioner - deciles by RIC/LA etc.		

Modelling to reach sustainable rate

To take account of the different staff costs associated with the different adult:child ratios the following adjustment is applied to the hourly rate

Age group	no of children	ratio
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The calculation assumes a 1:5 ratio for eligible 2 year olds and 1:7 for 3-5 years in recognition that ratios will flex during a

2s	44	1 : 5
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Used as this uplifts the average total costs by 10.1%

total staff
required

8.80

89.86

98.66

£19.35

£27.09

£26.40

£1.41

-£0.10

REPORT TO: Cabinet
MEETING DATE: 8 November 2022
BY: Executive Director for Place
SUBJECT: Rent Consultation 2023/24

5

1 PURPOSE

- 1.1 To seek Cabinet approval to consult with Council tenants on a range of options in respect of a potential rent increase for 2023/24.
- 1.2 To explain the context, legal position and rationale for this approach.

2 RECOMMENDATIONS

- 2.1 That Cabinet approves a consultation exercise with Council tenants on a range of potential rent increase options.
- 2.2 That Cabinet notes the context, legal position and rationale for this approach.
- 2.3 That Cabinet notes the modelling impacts as set out in paragraph 3.11.
- 2.4 That Cabinet notes that meaningful consideration of the consultation results are a key element in setting rents for 2023/24 and beyond.

3 BACKGROUND

- 3.1 The Council has a statutory obligation under the Housing (Scotland) Act 2001 to consult with all tenants when making any proposals to increase rents. In doing so the Council must:
 - Consult all tenants affected by the proposal(s), and
 - Have regard to the views expressed during the consultation exercise.
- 3.2 Council has previously agreed to freeze Council rents for 2021/22 and 2022/23 in recognition of the challenging circumstances being faced by tenants as a result of COVID-19.

- 3.3 As well as approving a rent freeze for 2022/23 on 1 March 2022, the Council also approved an indicative rent increase of 5% for 2023/24 and for three years beyond that.
- 3.4 Elected members will be fully aware of the volatile national context in respect of cost-of-living increase that is placing huge stresses on household finances notably around energy costs and the price of food.
- 3.5 In response the Scottish Government passed the Cost of Living (Tenant Protection) (Scotland) Bill on 6th October 2022 to provide further protection for all tenants irrespective of tenure during the current cost of living crisis.
- 3.6 This Bill prevents all landlords from increasing their rent between now and the 31 March 2023 and amongst other elements restricting evictions except in very specific circumstances. The bill does however recognise the challenges in the social rented sector and the Scottish Government has agreed to set out a clear path to the decisions required to give the sector confidence and the certainty needed going forward. They have committed to setting out a decision by the 14th January 2023 at the latest as to whether they intend to raise, cap or expire the restrictions in the social rented sector.
- 3.7 As things stand at the moment, the Council can increase rents from the 3rd April 2023. Consequently, the Scottish Housing Regulator is encouraging all Local Authorities to consult with tenants to ensure we understand what is important to them and what they can afford.
- 3.8 It is important to note rent levels across the social housing sector are not consistent and the impact on any change in rent will result in different outcomes for each authority. East Lothian Council continues to be amongst the lowest rents in Scotland and have the lowest social rents within the South East of Scotland (SESPlan) area. The City of Edinburgh Council rents are on average 42.4% higher than East Lothian Council, Midlothian are 17.6% higher with West Lothian and Fife 12% higher. The Council's rents are also significantly lower than the RSL sector operating in East Lothian.
- 3.9 Whilst understanding the cost pressures facing our tenants, the Council is also facing significant pressures with increasing costs around borrowing, materials and labour for our new build programme, repairs and maintenance programmes and improving our tenant's homes. Changing legislation is also resulting in new costs for investing in existing homes to meet increasing standards for energy efficiency and to help achieve the ambitions to decarbonise heating.
- 3.10 It is therefore appropriate to share these pressures and obtain views from our tenants to help us carefully consider the implications, finding a balance between the impacts of rising costs on the delivery of our capital programmes with the financial hardship that is a reality for many of our tenants.

- 3.11 It is important to note the cumulative impact of the previous years' freezes on the financial position of the housing revenue account, which is compounded by increasing costs and rising interest rates. Further rent freezes will affect future years' affordability and wider capital investment. In this context, the Council has decided to consult tenants on a range of options and give tenants the opportunity to indicate their preference, taking into account the impact these choices might have on the Council's Housing Revenue Account (the Council rent income and expenditure budget). The options are:

Option 1 – 0% rent increase

Based on budget planning, a further rent freeze in year one followed by a 5% increase in years two to five will be unaffordable unless savings are identified in other areas such as reducing service levels or significantly reducing the ambition of the Council's modernisation and new build programme.

Option 2 – 3% rent increase

Based on budget planning, a 3% rise in year one followed by a 5% increase in years two to five would require a reduction in the scale of the capital programme over the next 5 years with an ongoing impact on future investment in the Council's housing stock.

Option 3 – 5%

The indicative budget approved by Council in February 2022 for 2023/24 is based on a 5% increase. This would result in some reduction to the modernisation and new build programme as a result of increasing costs arising from inflation and interest rates, but would mainly allow current levels of service and investment in our stock and new build programme to be maintained.

- 3.12 The rent consultation will seek tenant views on these options and once the consultation is concluded, the results will be shared with Council to help inform the decision-making process on any change to rents.
- 3.13 The consultation will run from 8 November 2022 to 16 December 2022 with the results presented to Council in February 2023.

4 POLICY IMPLICATIONS

- 4.1 The consultation results will inform the Council's decision-making process in terms of any rent increase in 2023/24 and beyond.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The proposals will have a potential significant impact on both services and investment plans and therefore directly affect tenants. A full integrated impact assessment on equality groups will be undertaken as part of the consultation exercise.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – Depending on the consultation results, wider contextual ongoing financial challenges, Scottish Government decision-making, ongoing monitoring and budget development will all be factors in determining the actual rent increase (or freeze).
- 6.2 Personnel – None.
- 6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 East Lothian Council Report – Budget Development including setting of Council Tax and Council Housing Rent for 2022-23 – March 2022

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