

**MINUTES OF THE MEETING OF
EAST LOTHIAN COUNCIL**

**TUESDAY 27 JUNE 2023
VIA DIGITAL MEETING FACILITY**

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Committee Members Present:

Provost J McMillan (Convener)

Councillor S Akhtar

Councillor E Allan

Councillor R Bennett

Councillor L Bruce

Councillor C Cassini

Councillor D Collins (from Item 5)

Councillor J Findlay

Councillor A Forrest

Councillor N Gilbert

Councillor N Hampshire

Councillor L Jardine

Councillor C McFarlane

Councillor C McGinn

Councillor G McGuire

Councillor S McIntosh

Councillor K McLeod

Councillor L-A Menzies

Councillor B Ritchie

Councillor T Trotter

Councillor C Yorkston

Council Officials Present:

Ms M Patterson, Chief Executive

Ms L Brown, Executive Director for Education and Children's Services

Ms S Fortune, Executive Director for Council Resources

Mr D Proudfoot, Executive Director for Place

Ms F Wilson, Director of Health and Social Care

Ms E Dunnet, Head of Finance

Ms M Ferguson, Head of Corporate Support

Ms N McDowell, Head of Education

Ms W McGuire, Head of Housing

Mr T Reid, Head of Infrastructure

Ms S Saunders, Head of Communities and Partnerships

Mr S Cooper, Team Manager – Communications

Ms F Currie, Committees Officer

Ms A-M Glancy, Service Manager – Corporate Accounting

Mr C Grilli, Service Manager – Governance

Mr D Henderson, Service Manager – Service Accounting

Mr G Marsden, Project Manager – Growth and Sustainability

Mr I Lennox, Team Manager – Assets and Regulatory

Mr R Montgomery – Project Manager

Ms M Scott, Committees Officer

Mr A Stewart – Growth Delivery

Mr A Stubbs, Service Manager – Roads

Mr P Vestri, Service Manager – Policy, Improvement and Partnerships

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:

Councillor F Dugdale

Declarations of Interest:

None

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

The clerk recorded attendance by roll call.

1. MINUTES FOR APPROVAL

The minutes of the following meeting were approved: East Lothian Council, 25 April 2023.

2. MINUTES FOR NOTING

The minutes of the following meeting were noted: Local Review Body (Planning), 18 May 2023.

3. FINANCIAL REVIEW 2022/23

A report was submitted by the Executive Director for Council Resources, providing an update on the draft financial position for the year ending 31 March 2023.

The Service Manager – Service Accounting, David Henderson, presented the report. He advised that the 2022/23 accounts required to be finalised by 30 June. He set out the position as regards General Services Revenue, advising that there was an overspend of £16.154m, £12.537m of which was recurring – Sections 3.10-11 of the report provided further detail on this. He also advised of the position as regards Council Tax collection, the Integration Joint Board (IJB), and the Council's group components, noting that due to the ongoing issues at the Brunton Hall, he would not be recommending a 'letter of guarantee' for the Brunton Theatre Trust at this time. Mr Henderson went on to set out the risks associated with the Capital Programme, advising that due to rising costs it would be challenging for the Council to deliver the programme in the current and future years, as detailed in Sections 3.21-28 of the report. On the Housing Revenue Account (Sections 3.29-33 of the report), he reported a surplus of £4.652m, but warned that there remained challenges in delivering the programme due to labour shortages, uncertainty in the housing market, and contract challenges. He concluded his presentation by stressing that the scale of the Council's financial challenges could not be understated.

Councillor Hampshire observed that many of the challenges facing the Council were outwith its control, and that growth in the county was causing an increase in demand for services. He asked if further detail could be provided on this, especially in light of the forthcoming Local Development Plan 2, and suggested that the Council should raise this issue with the Scottish Government. Mr Henderson indicated that the financial model had been revised to take

account of growth, but that pressures would continue, largely due to inadequate funding to the Council.

Responding to questions from Councillor Bruce, Mr Henderson explained that 'letters of guarantee' lasted for twelve months, and that there were regular reviews of budgets and forecasts to ensure financial sustainability – a guarantee would only be enacted in extreme circumstances. On housing voids, Mr Henderson advised that the position was in line with previous years. He added that voids were taking longer to turn around due to staff shortages, contractor shortages, and the state of some properties at handover, as well as addressing the COVID-19 backlog. As regards new build housing, Mr Henderson noted that slippage was built into the programme, and that delivery had to be prioritised alongside affordability.

Councillor McLeod asked if the HRA surplus could be transferred to other services. Mr Henderson pointed out that the surplus outlined in the report was linked to a complex pay deal, and that it was not normal practice to use HRA funds for other purposes.

Councillor Forrest asked for an update on Council Tax arrears, and about the impact of the re-banding of some properties. He also asked how many new build homes had been completed. Mr Henderson confirmed that in 2022/23, 316 units less than budgeted for had been completed, 167 of which were Band G properties, which would have a greater impact on Council Tax collection. Reasons for this include a slow-down on the release of new units, supply chain issues, and rising interest rates. On Council Tax re-banding, he advised that this was outwith the Council's control; he did point out, however, that where the banding had been lowered, backdated payments had to be made. He reported that in-year Council Tax arrears totalled c. £1.9m, and overall £3.2m, which was a slight reduction from the previous year.

Councillor Forrest also asked questions on housing voids and the timeline for reporting on the situation with the Brunton Hall. Wendy McGuire, Head of Housing, responded to the voids question, advising that there were different categories of void properties, and that some properties had structural issues or required adaptations or extensions. These types of voids would be dealt with separately to allow for standard voids to be turned around more quickly. On the Brunton Hall question, Tom Reid, Head of Infrastructure, reported that engineers would provide an options appraisal on the future of the building, but that the issue at Preston Lodge High School had taken priority, hence the report on the Brunton Hall would be delayed until later in the year.

Councillor McIntosh referred to the challenging times facing arts organisations, and asked if an impact assessment had been carried out as regards not issuing the 'letter of guarantee' to the Brunton Theatre Trust. Mr Henderson assured her that the Council would continue to liaise with the external auditors and the Trustees, and that the Council was also working with the Arts Service Manager on the provision of venues. He added that the Trust held reserves of £1m. Ms Fortune also indicated that officers would always work with such bodies to ensure that they fulfil their own requirements and remain financially sustainable. However, given the concerns with the Brunton Theatre, and the associated risks, it was felt that the Council was not in a position to provide a guarantee at this time. Mr Henderson also mentioned that there was no insurance cover for cancelled performances, as it was not possible to cover a programme of events, only individual ones.

With reference to Councillor Hampshire's question on the impact of growth on the Council's finances, Councillor Jardine asked if officers and the Administration had contacted the Scottish Government about this. Ms Fortune confirmed that officers had been raising the financial impact of growth for some time, through CoSLA, the Directors of Finance Group, SOLACE and the City Deal. Officers had also met with senior civil servants to explain the impact, noting that although all public bodies were facing difficulties, the situation with growth in East Lothian was unique and significant. Councillor Hampshire added that these issues needed to be raised on a cross-party basis, and that government support was essential to sustain the growth

in East Lothian. He advised that he had a meeting arranged with the Deputy First Minister, and he hoped that a cross-party voice would strengthen the Council's call for further support.

Councillor Forrest paid tribute to the Finance Service for their work, and welcomed the work done to turn housing voids around quickly. He also pointed out that the staff at the Brunton Hall and nearby businesses were working hard to ensure that the 'rebranded, on the road' Brunton Theatre was a success.

Councillor Jardine indicated that she had been reassured by officers on points raised by her regarding a number of service areas, including rapid rehousing, schools support, residential placements for children, and the Mortgage to Rent Scheme.

Councillor Hampshire expressed his concern regarding the financial situation and commended staff for working to reduce the costs of delivering services in this challenging financial environment. He advised that the cross-party budget working group were considering a number of options which, if adopted, could signal a significant reduction in Council services. He reiterated that he had arranged a meeting with the Deputy First Minister, and hoped that she would recognise that the funding allocated to the Council did not meet the costs of growth in East Lothian, and that additional support would therefore be provided.

Councillor Akhtar referred to the increase in demands for all Council services, caused by growth and increasing numbers of young people and older people. She suggested that targeted funding was required to meet these challenges. She also advised that she had recently had an opportunity to discuss the impact of growth with the Health Minister, and that it was clear that more work was required to demonstrate the impact of growth on the Council.

Councillor Menzies agreed with other Members that the funding for East Lothian was insufficient, but noted that the problem was the funding formula adopted by CoSLA, which was benefiting some areas but not others.

The Provost moved to the roll call vote on the recommendations which were approved unanimously.

Decision

The Council agreed:

- i. to note the 2022/23 financial performance against approved budgets and the underlying financial pressure faced by the Council;
- ii. to note the progress in delivering the approved 2022/23 budget reductions;
- iii. to note the additional funding received from the Scottish Government in the 2022/23 financial year;
- iv. to note the application of the loans fund repayment holiday in 2022/23, to mitigate the in-year overspend;
- v. to note the update on the key developments since the Quarter 3 report;
- vi. to note that financial review reports would continue to be reported to Council for scrutiny until the financial position improves;
- vii. to note the update on the wider financial environment and current risks; and
- viii. to agree to provide a 'letter of guarantee' to support Council relevant group partners in line with previous years' assistance.

4. BUDGET DEVELOPMENT 2024/25 ONWARDS

A report was submitted by the Executive Director for Council Resources providing Council with an update on budget development and planning for 2024/25 onwards and highlighting the significant challenges in relation to this.

The Head of Finance, Ellie Dunnet, presented the report, highlighting the challenges facing the Council when developing the budget, including growth, external factors, and increasing demand on services. She reported that the funding gap of £71m was the biggest ever that Council had faced, adding that Councillor Hampshire would be meeting with the Deputy First Minister to discuss this. She warned that if no additional support was forthcoming, the Council would be unable to balance its budget in future years. She also provided an update on mitigation measures, the reserves strategy, and the budget development timeline and next steps.

With Local Development Plan 2 coming forward, Councillor Hampshire asked if the current predicted cost of growth of £20m would increase if the Council were asked to accommodate more houses. Ms Dunnet confirmed that this would be the case.

Councillor Findlay asked about the ability for carry-forward on devolved school budgets (DSM), and also if officers were confident that the Transformation Programme would deliver its intended savings. Ms Dunnet advised that 1% of the DSM budget could be carried forward. She further advised that delivering the Transformation Programme was necessary to achieve a sustainable financial position. She accepted that further work was required, and that the position was being monitored.

On Section 75 Agreements, Councillor Forrest asked if it would be possible to ask developers retrospectively to make up funding shortfalls. He also requested that local Members be kept informed of developments with the asset review. Ms Dunnet agreed to keep Members informed. However, she noted that there was no scope to renegotiate Section 75 Agreements. Douglas Proudfoot, Executive Director for Place, added that the Council could ask for further funding, but there was no obligation on developers to provide this.

Councillor McIntosh asked about the scrutiny of the costs associated with delivering the Musselburgh Flood Prevention Scheme to ensure that the project was demonstrating best value. Tom Reid, Head of Infrastructure, advised that scrutiny would be carried out at the technical design stage. He added that the budget for the project was fixed within the Capital Programme, but that the Council was seeking to secure additional funding to assist with the project management. A further report on this would be presented to Council in due course.

A number of Members raised questions in relation to the structural issues affecting some Council buildings. Mr Reid stated that these issues had presented new, unfunded pressures, and that options appraisals were being undertaken for each building, with the Loch Centre appraisal now almost complete. The results of the options appraisals would be presented to the Executive Team before being shared with Members. He could not be specific about the timing of further reports, due to the complexities around the issues and the tie-in with the associated costs. Ms Fortune confirmed that there was currently no budget for this, and the costs would need to be considered alongside the Capital Programme, adding that existing commitments may need to be reprioritised. Mr Reid stated that there had been no discussions around mothballing the Loch Centre, but that the wet facilities had been closed pending the completion of the technical work. On the situation at Preston Lodge High School, Mr Reid informed Members that officers from various services were working to ensure that statutory education at the school would continue to be delivered, which would come with additional costs and staffing requirements – more information on this would be available in the coming weeks, and Members would be kept informed of the situation.

Councillor Bruce asked about financial modelling and additional pressures. Ms Dunnet advised that financial projections were based on assumptions, which were kept under regular review. However, there would always be risk and variability, largely due to matters outwith the Council's control. Ms Dunnet also provided an explanation as to the impact of the structural issues affecting some buildings on the application of fiscal flexibilities for service concession assets, noting that it had not been the intention to use the surplus from service concessions to balance the budget in the current or future years, so she did not foresee that this would directly result in an increased funding gap. On the Transformation Programme, she advised that the Council had agreed to deliver £5m of savings from the asset review over the next five years, with additional capital receipts of £20m. She undertook to consider how best to report the delivery of efficiency savings to Council.

Responding to a question from Councillor Jardine regarding the risks associated with withholding payment to the Integration Joint Board (IJB), and the working relationship between the Council and the IJB, Ms Dunnet pointed out that the IJB budget accounted for c. 25% of the Council's annual expenditure, and therefore it was reasonable to take this into consideration regarding closing the budget gap, including the reduction in the allocation of funding of c. £250,000 for the current financial year. It was expected that the IJB would work within its allocated budget, with the support of the Council, but it was important to bear in mind that the risk remained with the Council and the NHS. With the budget gap in the current year, and the assumptions around pay, the report was consistent with the Corporate Risk Register, and officers would continue to work with IJB colleagues to work through those issues.

On the budget development for future years, Ms Dunnet hoped that by starting the process earlier, the cross-party budget working group would be better placed to meet the significant financial challenges associated with setting the 2024/25 budget. Councillor Hampshire added that the only way to meet these challenges was by working on a cross-party basis, and looking at reducing the costs of providing services. He stressed the importance of dialogue with the Scottish Government, adding that a cross-party voice would be stronger.

Councillor Hampshire opened the debate, emphasising the scale of the financial challenge facing the Council, noting that the Council could not continue to cut services in order to delivery growth. He stressed that the Local Development Plan would have to be fully costed, with guarantees on funding.

Councillor Bruce commended officers and the head teacher on their work at Preston Lodge High School in spite of the challenging situation. He observed that the RAAC issue would be a problem across the UK public sector, and hoped that support would be forthcoming. Councillor Bruce agreed with Councillor Hampshire that growth was the biggest issue facing the Council, suggesting that other areas in the UK were delivering initiatives to help local authorities, such as the Community Infrastructure Levy in Wales and the New Homes Bonus Scheme, which provided additional funding for areas of growth.

On energy prices, Councillor Cassini suggested that if the UK Government pegged energy prices to renewables, then it could meet its target of halving inflation in 2023.

Agreeing with the point made by Councillor Cassini, Councillor McIntosh added that it was important to invest in renewable energy, in order to reduce energy bills. She also spoke in support of investing in early intervention for children and social work, making reference to the links with communities and youth work and the importance of protecting spending in those areas.

Councillor Jardine welcomed the cross-party collaborative working to tackle the challenges, adding that she would also like an opportunity to be involved in any future discussions with the government. She reminded Members that the UK Government also had a role to play, given that the Scottish Government does not have full fiscal flexibility.

Referring to the situation at the Loch Centre, Councillor McGinn accepted that there were many competing priorities for the Council at this time. He welcomed the confirmation that the Local Centre swimming pool was not being mothballed, as this facility was important to the community.

On the Integration Joint Board (IJB), Councillor Akhtar noted that this body did not work in isolation, but relied on other services and facilities, and that preventative services had an impact on the IJB. She touched on a number of Scottish Government policy directions, noting that £10m had been spent on the proposals for a National Care Service. She also called on Members to have an open mind when engaging with civil servants and government ministers.

The Provost moved to the roll call vote on the recommendations which were approved unanimously.

Decision

The Council agreed:

- i. to note the update on the financial landscape and current risk environment, as detailed within the report;
- ii. to note the high-level revenue projections and funding gap set out at Section 3.6, Table 1 of the report;
- ii. to note the emerging risks detailed within Sections 3.12 to 3.18 of the report, and that a review of the current general services capital programme in light of these risks would be presented to a future Council meeting;
- iv. to note the update on mitigation measures at Sections 3.19 to 3.22 of the report;
- v. to note the arrangements for authorising urgent expenditure outwith approved budgets, to ensure that statutory duties could be fulfilled, detailed at Section 3.16 of the report;
- vi. to agree the proposed reserves strategy, set out at Sections 3.23 to 3.30 of the report; and
- vii. to note the next steps to budget development and timetable, set out at Section 3.32 of the report.

5. COMMON GOOD BUDGET 2023/24

A report was submitted by the Executive Director for Council Resources providing an update on Common Good Funds, noting the status of financial implications arising from the Common Good review and that a further report would be submitted to Council in October 2023.

The Head of Finance, Ellie Dunnet, presented the report, advising that the budgets included provision for grants and maintenance, and that a further update on the situation with the Brunton Hall would be presented to Council later in the year.

Councillor Forrest asked if there were any risks to the Common Good for Musselburgh, other than the situation with the Brunton Hall. He also questioned the consistency applied to the checking of Common Good grant applications, and asked if the grant allocation for 2023/24 would include the underspend from last year's budget. He also asked questions in relation to the maintenance budget and depreciation. Ms Dunnet indicated that work was ongoing as regards the conditions survey on Common Good assets, so that she was unable to provide

further information on Musselburgh assets at this time. She confirmed that the 2023/24 budget did not include the underspend from the previous year, reminding Councillor Forrest of the grant funding approved from the 2022/23 budget at the last Council meeting. On the maintenance budget, she advised that the asset review would inform what was required in terms of maintenance; and on depreciation, she explained that this was an accounting calculation, based on assumptions. Sarah Fortune, Executive Director for Council Resources, indicated that the competency check process would be strengthened.

Councillor Bruce asked if it was prudent to continue awarding grant funding while the survey of Common Good assets was not yet complete. Ms Dunnet confirmed that the priority for Common Good funding was to maintain assets. She made reference to an officer recommendation to the Council in April to suspend grant funding while the asset survey was ongoing, which Council had not approved. She advised that it was prudent to have a grants budget in place as applications continued to come in.

Councillor Menzies asked about rental income for Common Good assets in Port Seton and Tranent, as well as any risks relating to those assets. Ms Dunnet advised that she could provide information on this at a later date.

Councillor Trotter sought information on the future use of Haddington Town House. Tom Reid, Head of Infrastructure, explained that the Facilities Management service was currently working in accordance with business continuity arrangements and it was therefore not possible to bring the building back into public use at this time; this position would be reviewed periodically. The Provost suggested that Common Good funding could be used to assist in reopening the building.

The Provost moved to the roll call vote on the recommendations which were approved unanimously.

Decision

The Council agreed:

- i. to note the contents of the report;
- ii. to approve the 2023/24 grants budget for Dunbar, Haddington, Musselburgh and North Berwick, as set out in Appendices 2a-2d, noting the context for future budget development; and
- iii. that, given the wider financial challenges, a further update report on the emerging financial risks and associated implications would be submitted to Council in October 2023 for consideration.

6. TRUST FUNDS REVIEW 2022/23

A report was submitted by the Executive Director for Council Resources informing the Council of potential options for the future stewardship of Trust Funds in its care and seeking approval in relation to the future direction of the review project.

The Head of Finance, Ellie Dunnet, presented the report, advising that there was limited capacity within the Council to provide the required administrative support and promotion of Trust Funds. She suggested that a third party may be better placed to take this on, with any costs being recharged to the Trust Funds. She noted that there may be scope to involve Members as part of this model. She added that this model would not be pursued if there were excessive costs involved.

In response to a question from Councillor Bruce, Ms Dunnet advised that OSCR and Audit Scotland had been consulted on the proposal, and that the practices of other local authorities had also been considered, although none currently operate within a third-party model.

Councillor Menzies asked if the Trust Funds had ever been managed properly by the Council. Ms Dunnet informed her that Audit Scotland had found that the Council's arrangements were not sufficient, and that the Council did not have dedicated resources to undertake this work. She added that she was not aware of how funds had been managed by the Council in the past.

Councillor Akhtar stressed the importance of Members being involved in the grant award process for Trust Funds. Councillor Forrest agreed with this, adding that local knowledge was vital as regards the disbursement of these funds.

Councillor Bruce sought information on the geographical split of the funds and also the criteria for grant funding to be awarded. He suggested that VCEL, Community Councils and Area Partnerships could be made aware of the Trust Funds covering their areas.

Councillor McIntosh welcomed the report, and looked forward to receiving further information about the third-party model. However, she did have concerns about the possible extent of Member involvement, and so to avoid potential conflicts of interest and to demonstrate transparency, she suggested that the third party should assess applications and any Member involvement should be purely strategic.

The Provost moved to the roll call vote on the recommendations which were approved unanimously.

Decision

The Council agreed:

- i. to approve in principle the proposal to explore the transfer of stewardship and administration of the Trust Funds to a specialist third party, noting that this would exclude the Richardson Bequest;
- ii. to authorise the Head of Finance to consult with Group Leaders to progress the transfer of stewardship to a specialist third party, subject to confirmation that this option would maximise best value for the Trust Funds; and
- iii. to note that some funds, particularly those with property assets, may be retained within the stewardship of the Council; in that event, a framework for stewardship and administration for those funds would be developed.

7. COUNCIL TAX FOR SECOND AND EMPTY HOMES, AND NON-DOMESTIC RATES THRESHOLDS: PROPOSED CONSULTATION RESPONSE

A report was submitted by the Executive Director for Council Resources proposing a response to the Scottish Government and CoSLA consultation on council tax for second and empty homes, and non-domestic rates thresholds.

The Head of Finance, Ellie Dunnet, presented the report, advising that the consultation sought views on giving local authorities the power to increase council tax for second homes and empty homes.

Commenting on a clause in the consultation relating to possible reasons for not applying a premium, specifically as regards hardship, Councillor Menzies remarked that it was unlikely

that the owner of a second home would be suffering hardship. Ms Dunnet explained that there may be cases with extenuating circumstances, and this could be taken into account when formulating the policy; in such cases the individual would be required to demonstrate that they were suffering hardship.

Councillor Forrest welcomed the proposed consultation response, commenting that it was frustrating to have empty homes that could be brought back into use.

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

Decision

The Council agreed to approve the proposed consultation response set out within Appendix 1 to the report, to be submitted by 11 July 2023.

8. COCKENZIE FORMER POWER STATION SITE: UPDATE

A report was submitted by the Executive Director for Place providing an update on progress since the last two reports present to Council on 28 June 2022, in relation to the Cockenzie Power Station site redevelopment. This followed a successful bid for funding for site preparation and remediation from Round 2 of the UK Government's Levelling Up Fund and the start of the development of Inchcape Offshore Limited's renewable electricity substation.

The Project Manager – Growth and Sustainability, Graeme Marsden, presented the report, providing a summary of progress made since the last report to Council. He reported that the Inchcape substation development was now underway. As regards the Seagreen development, this would now be delayed, and would now not progress on site until spring 2024 at the earliest; he noted that the construction of the link road was aligned to this application. He advised that the Levelling Up funding of £11.3m would be used to progress remediation and site preparation works to aid development of the site, and that a project designer would soon be appointed. A technical masterplan for the site would be established, covering the provision of services, the parcelling up of land, access, use of the rail link, and economic use of the site. This masterplan would be used to market the site. On the proposal for a port/cruise terminal, he reported that Forth Ports had confirmed they had no interest in developing this facility, and he therefore proposed that no further work should be undertaken on this proposal. As regards the 360 Project, Mr Marsden reminded Members that the Council had funded a feasibility study into the development of a climate change centre; this report was now available in the Members' Library. Officers had now met with members of the 360 Group, who had been advised to engage with Members over the summer on their proposal. He drew attention to the timeline for the site, as attached at Appendix 1 to the report.

Councillors Gilbert and Bruce sought further detail on the development of the link road and construction traffic, given that the Seagreen site had now been delayed. Mr Marsden confirmed that it remained the intention to use the link road, or parts of it, to move construction materials, and this would be included in the Levelling Up development programme. As regards the Inchcape development, he advised that the construction traffic would use East Lorimer Place; full details of heavy goods vehicles [post-meeting note: this reference should be to abnormal load vehicles] were still to be developed. Ray Montgomery, Project Manager, added that the link road was linked to the Seagreen application because the start of the service road was within the Seagreen site and would need to be diverted. He noted that planning permission for the link road was now in place, but given that the Seagreen development was unlikely to commence before spring 2024, the construction of the link road would need to wait until the Seagreen site was completed. He provided an estimate as to the impact on local roads by construction traffic, and advised that he had been in contact with Inchcape to explore whether their traffic management plan could be altered. He also made reference to the

limitations involved in using the service road and in using other nearby roads within Council ownership.

In response to a question from Councillor Menzies on the 360 Project, Mr Marsden advised that the feasibility report into that project was available in the Members' Library, noting that the 360 Group may choose to provide Members with additional information relating to the project. The Provost added that the 360 Group was keen to work constructively with the Council.

Councillor Hampshire welcomed the report and the progress made on the former power station site. He stressed the importance of maximising the available land for employment opportunities, and was confident that the Council could deliver this.

Councillor Bruce hoped that a solution could be found as regards minimising disruption to local residents during the development of the site, through the use of Council-owned roads for construction traffic. His comments were echoed by Councillor Ritchie, who also welcomed the progress made on the site to date, but noted that the current developments on the site would not provide significant employment opportunities, and she hoped that future developments would provide jobs for and meet the needs of local communities.

Councillor Jardine welcomed the award of Levelling Up funding to progress the development of the site. She looked forward to future reports on progress and investment, and how this would sit with the financial challenges facing the Council.

On the 360 Project, Councillor Yorkston indicated that the 360 Group recognised that there were limitations as to what they could achieve. They were proposing to involve Members in their plans by way of a presentation in the coming months, recognising that working in partnership with the Council was key, due to the complexities of the site and the project.

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

Decision

The Council agreed:

- i. to note the progress being made towards the goal of regenerating the site for employment uses and the next steps which would include the procurement of a technical masterplan, which would inform a subsequent site marketing strategy and programme;
- ii. to instruct the Executive Director for Place to progress the Levelling Up Works, subject to planning, including designs and procurement of designers and contracts, as per the approved capital budget;
- iii. that, considering the complexities around the use of the Cockenzie site as a port, no further work should be undertaken to advance the site as a major port facility and/or cruise terminal, and instead the site should be considered for a broader range of employment uses; and
- iv. to note that the 360 Project identified a vision for a climate change centre, public realm and education/training on the site, but also identified risks and viability challenges in terms of the proposals, for which there was no current funding.

9. RESPONSE TO BOUNDARY COMMISSION REVIEW

A report was submitted by the Executive Director for Council Resources advising Council of the ongoing review of Scottish Parliamentary boundaries and seeking approval of a response to be submitted as part of the consultation exercise.

The Head of Corporate Support, Morag Ferguson, presented the report. She drew attention to the factors which must be taken into consideration as part of a boundary review, with Rule 1 being the Local Government boundary. She argued that the current proposal had taken no account of this rule and was focused mainly on population numbers. Due to the short timescale for responding, Mrs Ferguson advised that she had not had time to engage with neighbouring authorities with a view to considering alternative proposals – the intention to do this was noted in the proposed response. Advising that a local inquiry could be held if requested by a local authority, Mrs Ferguson also sought approval from Council to amend the proposed response to include a request for an opportunity to expand on the Council's position at a local inquiry.

Councillor Hampshire welcomed the proposal to engage with neighbouring authorities on this matter and supported the amendment put forward by Mrs Ferguson. He asked for confirmation that the Council would therefore be seeking a local inquiry on the matter. Mrs Ferguson confirmed this to be the case, and that this would give the Council time to discuss the matter with neighbouring authorities.

The Preston, Seton and Gosford Members raised a number of points about the proposed boundaries, including that East Lothian would be the only constituency in Scotland that would cover three different local authorities, that councillors would be required to deal with up to 16 MSPs, that the boundaries would potentially break historic community ties, and that the boundaries did not take account of growing communities or their needs.

The Provost moved to the roll call vote on the recommendations, as amended, which were approved unanimously.

Decision

The Council agreed:

- i. to note the Boundary Commission for Scotland consultation on the proposed new Scottish Parliamentary Constituencies; and
- ii. to approve the response to the Boundary Commission for Scotland, as amended to reflect the request for a local inquiry to be held, as detailed in Appendix 1 to the report.

10. REVIEW OF STANDING ORDERS: SCHEME OF ADMINISTRATION

A report was submitted by the Executive Director for Council Resources seeking approval of proposed changes to the Scheme of Administration resulting from the review carried out by the Standing Orders Working Group (SOWG).

The Head of Corporate Support, Morag Ferguson, presented the report, advising that this report followed on from the report to Council in April. She drew attention to the proposed amendments to the Scheme of Administration, as set out in Appendix 1 to the report, and also highlighted a number of options which Members would be asked to vote on, as well as a proposal to consult on the future voting rights of external representatives on the Education Committee.

Councillor Hampshire expressed concern about potentially moving to a fixed membership for the Homelessness Appeals Sub-Committee, as this would result in additional workload for some Members. He asked if political groups could retain some flexibility in this regard. Mrs Ferguson indicated that this suggestion would essentially be the status quo rather than the fixed membership option. She noted that the quorum for the Sub-Committee would be three.

Councillor Jardine asked if additional training and support, perhaps provided by another local authority in the interest of independence, would be available for Members should they continue to be involved in the Homeless Sub-Committee. Mrs Ferguson advised that, as East Lothian Council was now the only local authority in Scotland which had Member involvement in homelessness appeals, she did not envisage seeking the input of a third party to provide training and support.

The Provost moved to the roll call vote on the recommendations, which were approved, noting the following options for Recommendations 2.1(ii) and 2.1(iii):

For 2.1(ii)(a):	10	(Councillors Akhtar, Bennett, Forrest, Hampshire, McFarlane, McGinn, McLeod, McMillan, Ritchie, Yorkston)
For 2.1(ii)(b):	11	(Councillors, Allan, Bruce, Cassini, Collins, Findlay, Gilbert, Jardine, McGuire, McIntosh, Menzies, Trotter)
For 2.1(iii)(a):	11	(Councillors Akhtar, Bennett, Forrest, Hampshire, McFarlane, McGinn, McIntosh, McLeod, McMillan, Ritchie, Yorkston)
For 2.1(iii)(b):	10	(Councillors, Allan, Bruce, Cassini, Collins, Findlay, Gilbert, Jardine, McGuire, Menzies, Trotter)

Decision

The Council agreed:

- i. to approve the proposed changes to the Scheme of Administration as set out in Appendix 1 to the report, which reflected changes agreed by all Members on the Standing Orders Working Group;
- ii. to approve option (b) in relation to the future of the Homelessness Appeals Sub-Committee, i.e. to move to a fixed membership, noting that Group Leaders would be contacted to advise of their nominations for membership of this Sub-Committee;
- iii. to approve option (a) in relation to the future of the Employee Appeals Sub-Committee, i.e. maintain the status quo (continue to consider appeals in relation to conduct and medical dismissals, and grievances);
- iv. to delegate to the Head of Corporate Support to consult on the voting rights of external representatives on the Education and Children's Services Committee, with a report on the outcome of the consultation to be reported to Council in the autumn of 2023;
- v. to note that officers would work with Trades Union representatives on the Joint Consultative Committee to ensure the Committee operates effectively in future, and also to consider the frequency of JCC meetings; and
- vi. to note that no changes to the call-in process for Cabinet had been proposed.

11. REDETERMINATION OF JOHNNIE COPE'S ROAD, TRANENT

A report was submitted by the Executive Director for Place updating the Council on the outcome of the statutory and public consultation following Cabinet approval of the proposal to

redetermine Johnnie Cope's Road as an active travel route, and seeking approval for the statutory procedures necessary to make a Traffic Regulation Order to prohibit and permit various types of vehicular traffic.

Declaration of Interest: Councillor McLeod declared an interest, on the basis that he had already publicly declared his position on the matter, and he left the meeting for the duration of this item.

The Provost advised that two amendments had been submitted in respect of this report, the first by the Labour Group and the second by the Conservative Group.

The Head of Infrastructure, Tom Reid, presented the report. He advised Members that the bridge had been built when the A1 Tranent bypass had opened in the mid-1980s, in order that farm traffic, cyclists and pedestrians could cross the A1. It had been designed as an accommodation bridge, for occasional use, and by no more than 200 vehicles per day. He advised that there were now c. 1156 vehicles using the route on a daily basis. The bridge had never been adopted by the Council, and therefore remained the responsibility of Transport Scotland. For the bridge to be adopted by the Council, it would have to meet the Design Manual for Roads and Bridges (DRMB) standards. Mr Reid highlighted safety concerns, given the volume of traffic now using the road, and also made reference to a number of recent accidents. He advised that alternative, more suitable, routes were available for vehicular traffic and confirmed that people living on the road and emergency services' vehicles would continue to have access to the road should it be closed – no objections to the proposed closure had been submitted by the emergency services during the consultation. He added that the closure of the road would comply with national and local transport policies and the Council's climate change declaration. On the public consultation, he reported that 152 responses had been received, 147 of which were opposed to the proposed closure. However, for the safety reasons already set out, and in the absence of viable alternatives, he recommended that the necessary procedures to make a Traffic Regulation Order to close the road to vehicular traffic and redesignate it as an active travel route should be commenced.

Councillor Menzies asked for information on the locations of respondents to the consultation. Alan Stubbs, Service Manager – Roads, advised that he could provide this information outwith the meeting, but noted that the consultation was open to anyone to contribute.

In response to questions from Councillor Gilbert, Mr Stubbs explained that the DRMB sets out the standard which would be applied today if designing and constructing roads and bridges, adding that the structure over Johnnie Cope's Road is not a roads bridge and would not meet this standard. If its intended use was for a roads bridge, Transport Scotland could request a 'departure from standard'; thereby a daily limit of 200 vehicles could be applied. As outlined, the bridge exceeds this. Mr Stubbs clarified that the Council had never indicated that the bridge (which was an accommodation bridge rather than a road bridge) was unsafe, but that the alignment and geometry of the road leading to the bridge was the concern, as well as the volume of traffic using it. He stated that none of the suggested interventions on their own would make the road safer, and that in order to make it safe the Council would need to purchase land adjacent to the road in order to realign it to improve visibility. He would not recommend the installation of traffic lights only, due to the poor visibility around the corner and the lack of any pavement.

The Provost invited Councillor Hampshire to present his amendment, which was to amend the report recommendations, as follows:

- i. That Council notes the summary of responses to the consultation process, as set out in Appendix C [of the report];
- ii. The Council also notes officers' concerns with the design of the road layout and the width of the carriageway for the current volume of the road users;

- iii. However, the Council is requesting that officers stop the statutory process, as set out in Recommendation 2.2 [of the report], allowing Johnnie Cope's Road to remain open to vehicular traffic. This is as a result of consideration of the public objections and the communities' use of this road for over 30 years with only a few minor accidents;
- iv. The Council therefore recommends that officers review the following intervention options 2, 3 and 4 set out in Appendix E of the report, to develop the design, specification and cost, and report back to a future Council meeting so that Councillors can consider this as part of a future Council budget;
- v. The Council should also consider improvements to the active travel routes between Prestonpans and Tranent, including the installation of lights on the Meadowmill underpass.

Councillor Hampshire presented his amendment. He thanked officers for their work on this matter, remarking that the situation was not ideal due to the design of the road and the regulations for road design. He reminded Members that the road had been used by the local community since it was constructed in the 1980s, and they were not happy at the proposal to close it now. Councillor Hampshire recognised the restrictions within which officers were working; however, he noted that there were other examples of roads in East Lothian which did not meet modern design standards. Referring to his amendment, he suggested that resurfacing of the road, traffic calming measures and traffic lights would make the road safer, although he accepted that there could be problems if people did not adhere to the traffic lights. On the existing active travel route between Tranent and Prestonpans, he suggested that this could be upgraded to make this route safer and more accessible, and extended as far as Prestonpans train station. He called on Members to support his amendment.

The amendment was seconded by Councillor Yorkston, who made reference to the consultation, to which the vast majority of respondents objected to the closure of the road. With reference to the accidents that had occurred, he argued that these may not have happened had there been traffic lights on the bridge, similar to the traffic lights further north on the same road where there was reduced visibility. As there was an existing active travel route between Tranent and Prestonpans, with an option to connect it to Blindwells, he questioned why an additional active travel route was required.

The Provost invited Councillor Bruce to present his amendment, which was to replace report recommendations 2.2 and 2.3 as follows:

[That the Council]

2.2 Notes the significant community response following the launch of the consultation on the closure of Johnnie Cope's Road between Prestonpans and Tranent, and understands that there has been a lot of opposition to the closure of the road from various community sources including, but not limited to, Prestonpans Community Council and Tranent and Elphinstone Community Council, and further notes that an active travel route already exists between Tranent and Prestonpans via Meadowill; and

2.3 that the connections between the communities in East Lothian are vital, particularly in the areas where the county is growing most rapidly, and therefore instructed the Chief Executive and Leader of the Council to write to Transport Scotland and the relevant Scottish Government ministers to request support to upgrade the bridge over the A1 on Johnnie Cope's Road and to request a cross-party meeting with ministers to discuss this issue as well as the various other infrastructure needs of East Lothian, given the proposed scale of housing

growth. Failing the ability to get those meetings and resolution, the Council believes that options, in particular resurfacing of the road and installation of traffic lights, would be preferable to closure if the Council is unable to get support from the Scottish Government for improving the bridge.

Councillor Bruce presented his amendment, advising that it was concerned with listening to local communities, and considering the impact on the road users, especially given the pressure on other local roads due to house-building. He suggested that it was easier to get to Prestonpans train station from Tranent via Johnnie Cope's Road. Whilst he disagreed with position of officers on this issue, he could see their point of view, and so he proposed that the Council should engage with the Scottish Government and Transport Scotland on this matter, and about infrastructure more generally. He confirmed that he would be prepared to support Councillor Hampshire's amendment. Councillor Hampshire stated that he would be happy to amend his amendment to include the second paragraph of Councillor Bruce's amendment.

The amendment was seconded by Councillor Findlay, who was also happy to support the proposal to merge the amendments, as detailed above.

Councillor McIntosh opened the debate by remarking that disregarding the road safety advice of officers was a 'failure of political courage'. She accepted that people would be upset at the road being closed, but was concerned that there could be a serious accident on the road, especially due to the increased volume of traffic and the size of modern cars. She was of the view that the safety of cyclists and pedestrians should come before the needs of car drivers. Councillor McIntosh was therefore supportive of the road being used for active travel, and she was opposed to the Conservative Group's views that additional money should be made available for road building. She stated that she would be voting against the amendments.

Councillor Ritchie spoke in favour of improving the existing active travel route to make it safer and more accessible, as well as making the necessary improvements to Johnnie Cope's Road.

Commending the work done by officers on this matter, and recognising the points made by Councillor McIntosh, Councillor Jardine was of the view that a number of measures could be put in place to mitigate the risks for the road users. Her preference was to make the road safe for both vehicular traffic use and active travel.

Councillor Menzies commented that the benefits of closing the road to traffic had not been set out to the communities. She also noted that the consultation had only taken account of objections, rather than all views on the matter and that this should be borne in mind for future consultations. She accepted that the road was not currently safe for users. On the consultation responses, she noted that most of the respondents resided in the Prestonpans area, and the majority of those respondents were opposed to the road closure; she added that only a small minority of residents had responded, however, and that it was important to listen to the whole community. She also suggested that changing the public's opinions on active travel was important. She was not convinced that writing to the Scottish Government would be of benefit, given that Transport Scotland had already indicated that there was no funding available to improve the bridge.

Councillor McGinn stressed the importance of listening to the views of constituents. He noted that his concerns were less about the bridge and more about the road junction, and that he personally would always look for a safer route rather than use Johnnie Cope's Road. He was in favour of improving the road and also the existing active travel route.

The Provost moved to the roll call vote on the amendment, as submitted by Councillors Hampshire and Yorkston, and amended to include the addition of the second paragraph of the amendment submitted by Councillors Bruce and Findlay.

For: 19 (Councillors Akhtar, Allan, Bennett, Bruce, Cassini, Collins, Findlay, Forrest, Gilbert, Hampshire, Jardine, McFarlane, McGinn, McGuire, McMillan, Menzies, Ritchie, Trotter, Yorkston)
Against: 1 (Councillor McIntosh)
Abstentions: 0

The amendment, as amended, was therefore carried.

Decision

The Council agreed:

- i. to note the summary of responses to the consultation process, as set out in Appendix C of the report;
- ii. to also note officers' concerns with the design of the road layout and the width of the carriageway for the current volume of the road users;
- iii. to request that officers stop the statutory process, as set out in Recommendation 2.2 of the report, allowing Johnnie Cope's Road to remain open to vehicular traffic, as a result of consideration of the public objections and the communities' use of this road for over 30 years with only a few minor accidents;
- iv. that officers review the intervention options 2, 3 and 4, as set out in Appendix E of the report, to develop the design, specification and costs, and report back to a future Council meeting so that Councillors can consider this as part of a future Council budget;
- v. that the Council should also consider improvements to the active travel routes between Prestonpans and Tranent, including the installation of lights on the Meadowmill underpass; and
- vi. that the connections between the communities in East Lothian are vital, particularly in the areas where the county is growing most rapidly, and it therefore instructed the Chief Executive and Leader of the Council to write to Transport Scotland and the relevant Scottish Government ministers to request support to upgrade the bridge over the A1 on Johnnie Cope's Road and to request a cross-party meeting with ministers to discuss this issue as well as the various other infrastructure needs of East Lothian, given the proposed scale of housing growth. Failing the ability to get those meetings and resolution, the Council believes that options, in particular resurfacing of the road and installation of traffic lights, would be preferable to closure if the Council is unable to get support from the Scottish Government for improving the bridge.

12. MOTION: JOHNNIE COPE ROAD

A motion was submitted by Councillors Bruce and Findlay, continued from the Council meeting of 25 April 2023:

That East Lothian Council:

Notes that there has been a significant community response following the launch of the consultation on the closure of the Johnnie Cope Road between Prestonpans and Tranent;

Understands that there has been a lot of opposition to the closure of the road from various community sources including, but not limited to, Prestonpans Community Council and Tranent and Elphinstone Community Council;

Believes that the connections between the communities in East Lothian are vital, particularly in the areas where our county is growing most rapidly;

Calls for the current consultation and legal process to be paused to allow for more detailed and robust research into any potential negative impacts closing this road might have on local communities and to explore alternative proposals, such as the installation of traffic lights at the bridge on Johnnie Cope Road, to happen and be reported back to Council;

Further notes that the bridge on the A1 is in the ownership of Transport Scotland and the Scottish Government, and requests that the Chief Executive and Leader of East Lothian Council write to Transport Scotland and the relevant Scottish Government ministers to request support to upgrade the bridge over the A1 on Johnnie Cope Road and to request a cross-party meeting with ministers to discuss the various infrastructure needs of East Lothian given the proposed scale of housing growth.

Councillor Bruce advised that he wished to withdraw his motion. Councillor Findlay, who had seconded the motion in writing, agreed that the motion should be withdrawn.

Decision

The Council agreed to note that the motion on Johnnie Cope's Road had been withdrawn.

13. MOTION: APPEAL TO UK GOVERNMENT ON ENGAGEMENT PROCESS FOR BANK BRANCH CLOSURES

A motion was submitted by Councillors Jardine and Gilbert:

East Lothian Council:

Notes, with significant concern, the recently announced closures of the Royal Bank of Scotland in Tranent and the Bank of Scotland in Dunbar.

Notes that individual institutions have sought the input of the UK Finance Cash Action Group, through LINK, in assessing the impact on cash availability in each locality.

Notes that LINK and UK Finance Cash Action Group are represented by the banking and finance industry only and are not required to engage with strategic economic development bodies or representative community organisations in making an assessment on the existing and future requirements of distinct communities.

Notes the extensive and understandable concern raised by communities in both Tranent and Dunbar at the closure of the last bank building in each town, with associated impacts for business trade and those reliant on in-person banking transactions and assistance.

Therefore instructs the Leader of the Council to write to the UK Government expressing the Council's concern at the lack of local business and community interests in assessing future requirements to banking in distinct communities and call for steps to be introduced to compel the banking industry to include engagement with local authorities and community representatives in assessing the impact of future planned closures of bank branches.

Councillor Jardine presented the motion, highlighting the technological and social changes and the decline in the use of cash over the past decade, and particularly since the COVID-19 pandemic, which had led to the closure of bank branches. She voiced her concern that many

small businesses depended on local banking facilities, and that rural communities were especially impacted by local branch closures. She stressed the importance of communities having access to banking facilities, and suggested that banking hubs should be extended to rural areas, as well as better support being provided to the Post Office, which had taken on a number of services previously offered by local banks. Councillor Jardine claimed that the UK Government had not addressed concerns raised at the Scottish Affairs Select Committee on this matter, nor had it taken account of the needs of communities. She suggested that the Government should compel banks to take the views of affected communities into consideration and engage meaningfully with them as regards future banking provision in East Lothian.

Seconding the motion, Councillor Gilbert pointed out that c. 20% of people are digitally excluded, and he questioned how they would cope without local banking facilities. He also made reference to Royal Bank of Scotland's assertion at the time of closing their Prestonpans branch that customers could access facilities in nearby Tranent. He was concerned that with the impending closure of the Tranent branch, those people would soon have no access to a local branch.

The Provost advised that an amendment had been submitted by Councillors Collins and Bruce in respect of this motion, which proposed an additional recommendation, as set out below:

Additionally instructs the Leader of the Council to write to Cash Access UK asking them to expand the number of supported options available to communities for alternative banking facilities, beyond just post office-base facilities, to include systems such as OneBanx and others that use a mix of technology and in-person support, to give the broadest range of solutions to the problems facing communities in East Lothian and across the UK.

Councillor Collins presented the amendment. She welcomed the motion, and the proposal to expand the use of banking hubs. However, she advised of alternative facilities, such as OneBanx, which would allow in-person banking seven days a week. She explained that OneBanx was working in collaboration with the Co-op to provide facilities such as accessing cash, cashing cheques, paying bills and obtaining advice, and that this facility covered all banks and could be set up quickly. She advised that nine such outlets were currently available in the UK, three of which were in Scotland. She believed that this facility could provide banking solutions to people in East Lothian. Councillor Collins offered to provide further information to Members, should they request it.

The amendment was seconded by Councillor Bruce, who expressed concern about the impact of bank closures for communities. He agreed that the UK Government should compel the banking industry to engage with communities. He was also supportive of the idea of banking hubs, but believed that there should be a broader range of options available, including the OneBanx concept, which would make use of existing shops and public spaces from which to operate.

Councillor Forrest opened the debate. Whilst supporting the motion, he also highlighted the positive work carried out by Credit Unions.

Councillor Ritchie noted that the closure of banks affected the local skills base. She welcomed the motion and creative solutions outlined by Members.

Making reference to the government bailout of banks following the financial crisis, Councillor Cassini criticised the behaviour of banks towards their customers. She commented that a one-size-fits-all approach would not work for everyone.

Councillor McGinn remarked that banking services in Tranent had been decimated over the past decade. He spoke in support of Councillor Forrest's comments regarding credit unions, and welcomed the concept of banking hubs.

Councillor Akhtar referred to recent research carried out by Age Scotland on this subject, noting that 500,000 people in Scotland were reliant on cash, and that those people, mainly older people or those on low incomes, would be impacted significantly by bank branch closures. She also pointed out that not everyone could access online banking due to poor broadband coverage in some areas.

The Provost welcomed the motion and amendment, and the cross-party unity on this matter.

Summing up, Councillor Jardine noted that she had some reservations about the OneBanx concept; however, she welcomed the opportunity to consider alternative banking solutions, especially those which helped start-up businesses.

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

Decision

The Council agreed:

- i. to instruct the Leader of the Council to write to the UK Government expressing the Council's concern at the lack of local business and community interests in assessing future requirements to banking in distinct communities and call for steps to be introduced to compel the banking industry to include engagement with local authorities and community representatives in assessing the impact of future planned closures of bank branches; and
- ii. to instruct the Leader of the Council to write to Cash Access UK asking them to expand the number of supported options available to communities for alternative banking facilities, beyond just post office-based facilities, to include systems such as OneBanx and others that use a mix of technology and in-person support, to give the broadest range of solutions to the problems facing communities in East Lothian and across the UK.

14. MOTION: SUPPORT FOR 'GUARANTEE OUR ESSENTIALS' CAMPAIGN

A motion was submitted by Councillors Jardine and Cassini:

That East Lothian Council:

Notes the significant increase in assistance being provided by foodbanks across East Lothian and commends all the staff and volunteers who support the most complex and vulnerable lives in our communities;

Notes that 90% of low-income households receiving Universal Credit are going without at least one essential like food, a warm home or toiletries, all of which evidences that the increased costs of living are not adequately reflected in uprating to social security support;

Supports the promotion of the joint Trussell Trust and Joseph Rowntree Foundation Campaign calling on the UK Government for an 'essentials guarantee' to make sure the basic rate of Universal Credit is sufficient to afford the basics each of us needs to live, for which more details are available at: <https://www.trusselltrust.org/get-involved/campaigns/guarantee-our-essentials/>;

Therefore instructs the Leader of the Council to write to the Trussell Trust/Rowntree Foundation to express the Council's support for their campaign and also to the UK

Government to express the Council's support for the campaign, highlighting that we know of poverty, the efforts being coordinated across East Lothian and the extent to which this still does not meet the needs within our communities, and call for the basic rate of Universal Credit to be enough to afford the essentials we all need, such as food, energy and basic household goods – and that deductions can never pull people below this line.

Councillor Jardine presented the motion. First, she made reference to the East Lothian Foodbank AGM earlier in the month, noting the sombre mood at that meeting due to the increased pressures on families and communities. She congratulated staff and volunteers at foodbanks for their work. She made particular reference to a section in their annual report which indicated that the high level of demand for the foodbank was unlikely to reduce in the near future, and that more than 16,500 people had been supported and 150,000 meals provided in the past 17 months. Councillor Jardine highlighted the reasons for this increase in demand, including low wages, higher fuel costs, and rising inflation. She noted that despite a number of policy initiatives introduced by the Scottish Government aimed at mitigating austerity, the use of foodbanks continued to increase. She spoke of the campaign by the Trussell Trust and Joseph Rowntree Foundation, which was aimed at giving dignity to those least able to provide for themselves, and providing a guarantee on the essentials for life. The East Lothian Foodbank was promoting this campaign locally. Councillor Jardine concluded her presentation by noting that the Council could assist by providing information to people, and also raise concerns about the situation as well as raising the profile of the campaign.

Councillor Cassini seconded the motion, remarking that councils were having to point out to the UK Government that Universal Credit payments were not sufficient to cover the cost of basic essentials.

Councillor McIntosh spoke in favour of the motion, commenting that the Universal Credit system was 'dehumanising'. She was particularly concerned about the way that Universal Credit payments were calculated for students, especially those with children.

Whilst respecting the sentiments behind both the motion and campaign, Councillor Bruce advised that he had concerns about some aspects of the campaign, particularly in terms of affordability, and declared that he would abstain. He noted that increasing benefit payments would drive up inflation even further, and that further work on the implications of such a campaign was required.

Councillor Akhtar stated that she would be supporting the motion, and was disappointed with Councillor Bruce's comments. She noted the negative impact on society of people being unable to afford basic essentials, and stressed that the UK and Scottish Governments needed to work together to tackle this issue.

Speaking in support of the motion, Councillor McGinn expressed concern that the use of foodbanks had become normalised and was frustrated that this position had been allowed to develop. He praised the work of foodbank staff and volunteers.

Summing up, Councillor Jardine voiced her disappointment at the comments made by Councillor Bruce. She stressed the importance of supporting those who do not have a voice and called on the Council to support the motion and make clear the Council's position on this matter.

The Provost moved to the roll call vote on the motion:

For:	17	(Councillors Akhtar, Allan, Bennett, Cassini, Forrest, Gilbert, Hampshire, Jardine, McFarlane, McGinn, McIntosh, McLeod, McMillan, Menzies, Ritchie, Trotter, Yorkston)
Against:	0	
Abstentions:	4	(Councillors Bruce, Collins, Findlay and McGuire)

The motion was therefore carried.

Decision

The Council agreed to instruct the Leader of the Council to write to the Trussell Trust/Rowntree Foundation to express the Council's support for their campaign and also to the UK Government to express the Council's support for the campaign, highlighting that the Council knows of poverty, the efforts being coordinated across East Lothian and the extent to which this still does not meet the needs within its communities, and calls for the basic rate of Universal Credit to be enough to afford the essentials people need, such as food, energy and basic household goods – and that deductions can never pull people below this line.

15. SUBMISSIONS TO THE MEMBERS' LIBRARY SERVICE, 7 APRIL TO 11 JUNE 2023

A report was submitted by the Executive Director for Council Resources noting the reports submitted to the Members' Library since the meeting of the Council in April 2023.

Decision

The Council agreed to note the reports submitted to the Members' Library Service between 7 April and 11 June 2023, as listed in Appendix 1 to the report.

At the close of public business, the Provost advised that the Council would now be in recess until mid-August, and that any urgent business requiring to be undertaken during this period would be carried out in accordance with Standing Order 15.6; a report on all urgent business undertaken during the recess would be presented to the first Council meeting of the new session, on 29 August.

Sederunt: Councillor Forrest left the meeting.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

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

Applications for Funding to Musselburgh Common Good Committee

A private report seeking determination of an application made by Fisherrow Harbour and Seafront Association for funding of £18,164 to replace ladders at Fisherrow harbour wall from Musselburgh Common Good Committee was approved, subject to conditions set out in the report.

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REPORT TO: East Lothian Council
MEETING DATE: 29 August 2023
BY: Executive Director for Council Resources
SUBJECT: Draft Annual Accounts 2022-23

2

1 PURPOSE

- 1.1 To provide an update on the draft unaudited accounts for the Council and Group entities for the year ending 31 March 2023. In accordance with regulations, the unaudited accounts must be formally scrutinised by Members by 31 August 2023.

2 RECOMMENDATIONS

- 2.1 Members are recommended to:
- Note that the draft annual accounts for the Council and its wider group, and the Dr Bruce Trust, have been submitted to External Audit prior to the statutory deadline of 30 June 2023.
 - Note that the accounts remain in draft pending the finalisation of the statutory audit which is expected to complete by the 19 December 2023 at the latest.

3 BACKGROUND

- 3.1 A report on the 2022-23 financial year end position, and draft accounts was considered by Council at its meeting on [27 June 2023](#) (Item 3). The report highlighted that the draft accounts would be submitted for audit in line with the statutory deadline of 30 June 2023, with formal Council consideration of the unaudited accounts to be undertaken after this.
- 3.2 In accordance with the requirements of the 2014 regulations, the unaudited accounts must be formally scrutinised by Members by 31 August 2023. To support this, a number of key elements have been undertaken:

- An Elected Member’s Briefing took place on 16 August 2023 to support and assist Members in this statutory duty by highlighting key information relating to the 2022-23 unaudited accounts and explaining relevant aspects of the Local Government financial framework.
- All Elected Members have access to the draft accounts which have been published in the Members’ Library Service ([June 2023 Bulletin, reference: 66/23](#)) and the opportunity to raise any significant questions or lines of enquiry to provide further clarity and understanding.
- In accordance with statutory requirements, the draft accounts were made available for public inspection for a 3-week period concluding 21 July 2023. No objections were received during this period.

3.3 An indicative timeline for finalising the audit is set out below:

- The audit will be undertaken between September and December 2023;
- The outcomes of the auditor’s work on Best Value will be presented to the Audit and Governance Committee in September 2023
- The audited accounts will be formally considered by Audit & Governance Committee in December 2023 at the latest.

4 POLICY IMPLICATIONS

4.1 There are no direct policy implications associated with this report.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report has been considered and given there is no change in policy direction, there is no requirement to undertake any further impact assessment.

6 RESOURCE IMPLICATIONS

6.1 Financial –No direct financial implications arise from the submission for audit of the accounts. Audit fees are paid for the audit process.

6.2 Personnel - No direct personnel financial implications arise from the submission for audit of the accounts. The audit and public inspection process involve East Lothian Council staff support.

6.3 Other – None.

7 BACKGROUND PAPERS

7.1 Members' Library Service – June 2023 – 66/23 East Lothian Council Draft Unaudited) Annual Accounts 2022/23

[Agendas, reports and minutes | East Lothian Council](#)

7.2 Council – 27 June 2023 - Item 3 – Finance Review 2022/23

AUTHOR'S NAME	Ann-Marie Glancy
DESIGNATION	Service Manager – Corporate Accounting
CONTACT INFO	aglancy@eastlothian.gov.uk
DATE	09 August 2023

REPORT TO: East Lothian Council
MEETING DATE: 29 August 2023
BY: Executive Director for Council Resources
SUBJECT: Finance Update

3

1 PURPOSE

- 1.1 To provide an update on the current and future financial outlook for the Council.

2 RECOMMENDATIONS

2.1 The Council is recommended to:

- Note the significance of the 2023/24 Quarter 1 financial performance against approved budgets and the underlying financial pressures faced by the Council both this year and beyond.
- Approve the urgent temporary mitigation measures set out in paragraph 3.29, in light of the extreme financial pressures facing the Council.
- Note the range of discussions which are being undertaken to promote the scale of the challenge facing East Lothian and to seek urgent solutions to support the ongoing provision of vital local services.
- Note the next steps supporting the budget process in the context of significant financial concerns, including consultation with the public.
- Note that in response to the significant demands on the Scottish Welfare Fund, awards will be made on a 'highest and most compelling' basis from 1 September, and agree that a letter will be sent to Scottish Government setting out Council's concerns regarding this.

3 BACKGROUND

- 3.1 The Council is now facing the most extreme financial challenge it has ever faced, with significant financial challenges this year and an estimated recurring funding gap which will require the Council to deliver financial savings equivalent to just under a quarter of its annual running cost over the next 5 years.
- 3.2 The scale of the financial challenge and concerns around ongoing financial sustainability has already been subject of recent Council reports. These reports have continued to highlight the wide range of risks and external pressures resulting in a future estimated recurring gap in excess of £71m from the period 2024/25 to 2028/29 and has set out the financial challenges in meeting ongoing growth obligations. In addition, the Council now faces an additional pressure arising from an in year funding gap of £14.6 million.
- 3.3 The cumulative impact of this is now placing the Council in a very serious situation, where this is now a very significant risk that the Council will not have sufficient resources to be able to sustain critical service delivery over the short to medium term. The Council's corporate risk register has been further updated to reflect this and remains at the highest risk rating, signalling the seriousness of the situation we are now facing and is a separate item on the Council agenda.
- 3.4 This report will be set out in two parts:
- Part 1 – provides an update on the 2023/24 financial forecast and pressures arising based on quarter 1 projections, including the actions being taken to address the in-year pressures and seeks approval for further urgent mitigation measures aimed at reducing the Council's net resources;
 - Part 2 – provides an update on the ongoing discussions to support future budgets with the aim of supporting future financial sustainability.
- 3.5 The seriousness of this situation is now the greatest challenge this Council has ever faced, and without additional resources it is now inevitable that the Council will need to pursue reductions in service delivery in order to reduce costs.

Part 1 - 2023/24 – Financial Forecast & Pressures

- 3.6 As a reminder, Council approved the 2023/24 Financial Strategy and associated financial plans on and prior to 28 February 2023. The approved plans included: the requirement to deliver savings of £6.7 million, planned draw down of £7.4 million of reserves and a Council Tax increase of 7%.

3.7 The key results and forecasts are summarised below and set out in more details in the following appendices:

- Summary - Appendix Part 1A
- General Services Revenue – Appendices 1-3
- General Services Capital & Treasury – Appendices 4-5
- HRA Revenue & Capital – Appendices 6-7

General Services Revenue Summary – Quarter 1

3.8 The financial forecast at Quarter 1 is set out below:

- Forecast overspend - £26.5 m (actual Q1 £3.5m)
- Planned reserves - £11.8m
- **Unplanned overspend - £14.6m**

3.9 The main reasons for this pressure is:

- IJB Projected overspend, £5.5 million – mainly due to pressures in Commissioned Care Services, specifically external care homes and support services. A number of workstreams remain live in an attempt to mitigate the extent of this overspend including; review of care packages in order to manage resources within available budgets and recruitment to support an enhanced internal care at home service, aimed at ensuring clients are able to stay safely within their own homes rather than move into care home settings.
- Preston Lodge RAAC issues, £3 million – these are the revenue costs of decanting classes from the school buildings and work is ongoing to mitigate that cost pressure.
- Children's Services projected overspend, £1.7 million – mainly relating to external residential pressures and the establishment of a complex internal care package. Work is ongoing to identify options in East Lothian for clients in external settings who could be brought back safely to the area,
- Trading Account deficit, £1.4 million – this is related to the schedule of rates, which have been increasing at significantly lower rates than pay and other inflation. Work is ongoing to review the rates within the legislative guidance in order to mitigate this pressure.
- Homelessness B&B Accommodation, £550,000 – this reflects increasing demand for services. The forecast spend on B&B accommodation is £2.314 million. Homeless presentations may come under further pressure when the current pause on evictions ends.

- Utilities, £400,000 – this is significantly less than the pressure in 2022/23 and work is ongoing to determine price inflation for 2024/25.
- Council Tax banding reviews in Dunbar, £280,000 – reflecting changes to Council Tax bandings set by the Valuation joint Board.
- Savings assessed as unachievable in 2023/24, £875,000 – **Appendix Part 1A** provides more information on progress on delivering efficiencies.

3.10 A large proportion of these collective pressures will be recurring beyond this financial year with the recurring pressure is estimated to be in excess of £18 million.

3.11 In addition to the above, the Council is now experiencing a significant increase in applications to the Scottish Welfare Fund (SWF). The SWF is administered by the Council on behalf of the Scottish Government, and supports individuals experiencing significant financial hardship. More detail as to the current position is set out in **Appendix Part 1A**, and highlights but at the end of June 2023, 54% of the available funding has already been awarded. This presents a considerable risk that this funding will not be sufficient to meet the demand for the remainder of the financial year.

3.12 To mitigate the risk of an overspend in this area, the criteria to award crisis grants can be limited to make awards to only the 'high most compelling priority' applications. Where a council adopts this position prior to the final quarter of the year, they are required to notify the Scottish Government Social Security Directorate and the Scottish Public Services Ombudsman (SPSO).

3.13 Local authorities are permitted to augment their SWF budget should they choose to do so. However, in light of the significant financial pressures which the Council is facing, this option is not recommended. This report advises Council that the highest and most compelling basis will be applied to all applications to the SWF considered from 1 September. It should be noted that taking these measures present a risk to the delivery of strategic objectives in relation to reducing poverty and inequality. As such, it is recommended that Council should write to Scottish Government highlighting these concerns.

3.14 A recent national review of the SWF has been published which includes a number of recommended actions, including ensuring sustainable resources, but this significant risk is not sustainable.

Current Mitigating Actions

3.15 In recognition of the challenging financial position, in April Council agreed to continue with the current mitigation measures which were in place since November 2022. A reminder of these measures is set out in **Appendix Part 1A**.

- 3.16 In addition, there are a number of ongoing pieces of work to attempt to mitigate further the extent of the current financial position, including:
- Ongoing work to identify external funding options for the RAAC building issues at Preston Lodge High School.
 - Review of Trading Accounts schedule of rates in line with the Local Government (Scotland) Act 2003 and LAASAC guidance.
 - IJB colleagues are reviewing external Commissioned Services in Health and Social Care.

General Services Capital Summary – Quarter 1

- 3.17 The approved budget for 2023/24 has been updated to reflect carry forward flexibility of £9 million aligned to delays in programme expenditure from 2022/23, but will only be finalised pending the conclusion of the statutory audit.
- 3.18 As at 30 June 2023, the Council has spent £9.6 million relative to the updated gross expenditure budget of £108.1 million. Latest projections indicate expenditure of around £90 million by the end of the financial year.
- 3.19 A summary of the key changes since the budget was approved along with some additional risks are set out in **Appendix Part 1A**.
- 3.20 There are a growing range of external risks, which are collectively placing significant financial pressures on the costs of supporting the approved capital infrastructure plans. These pressures are raising concerns on the overall affordability of the current plans and ongoing revenue obligations, and include: rising cost of construction; significantly higher than budgeted interest rates; and timing and realisation of planned developer contributions, all of which collectively are placing additional strain on borrowing requirements and ongoing affordability.
- 3.21 In addition, there are a range of emerging risks and pressures not currently reflected in the approved budget all of which are placing significant challenges in funding both current and future capital infrastructure requirements.

Treasury Update

- 3.22 In addition to the Treasury activity reported to Audit and Governance Committee, quarterly reporting on Treasury activity is required aligned to Prudential and Treasury codes of practice. An update on the Treasury activity undertaken during the first quarter of the year is set out in **Appendix 5** of this report, and supplementary information set out in **Appendix Part 1A**. This update confirms that all indicators set out within the Treasury Management Strategy have been complied with and that none of the limits set within these have been breached.

Housing Revenue Account Summary – Quarter 1

- 3.23 The HRA is expected to break even at this stage. Voids remain high and work is ongoing to remedy. There remains ongoing pressure from rising debt charges due to rising interest rates. **Appendix 6** sets out the revenue spend for the year.
- 3.24 Capital spend at Quarter 1 was around £9 million with £44 million of spend forecast for the year. This position reflects the acceleration of a number of new build, council house sites, the timing of which the Council is not always in control of as developers determine the pace of house building. The additional capital expenditure forecast for the current year has been reprofiled from the later years of the programme, and is largely offset by Scottish Government grants and earlier than anticipated rental income for the properties. Further detail is set out in **Appendix 7**.
- 3.25 There remain challenges in delivering the programme due to a shortage of labour resources, uncertainty in the housing market due to the current economic situation and challenges in awarding and mobilisation of contracts.

Additional Mitigating Actions

- 3.26 The collective scale of the in-year projections taken alongside the growing range of concurrent risks and pressures is now placing the Council in the most extreme financial position it has ever faced.
- 3.27 As a reminder the Council has exhausted all available 'fiscal flexibilities' and in overall terms the level of uncommitted General Reserve remains at a worrying low level commensurate to the level of risk at £7.2m (2% of running costs). If the current projected overspend materialises this will not only remove in full the minimum reserve level, it will also require reserves which have previously been earmarked for a specific purpose by Council to be redirected to meet this overspend. This includes reserves earmarked to support critical transformational activities with a view to deliver recurring savings, placing further and very significant risk now on the Council that it will not be able to deliver future obligations within the resources made available.
- 3.28 Given that, the Chief Financial Officer, supported by the Chief Executive and Head of Finance is strongly recommending that it is essential that further urgent targeted and immediate interventions are needed in an attempt to further reduce the net expenditure obligations facing this Council. These interventions, whilst essential, can only be sustained temporarily. The recurring implications must be addressed through essential and sustainable policy decisions to reduce the net expenditure for the Council.
- 3.29 Additional mitigations to be urgently instructed by Council and implemented immediately include:

- All Council managers must operate within approved budget levels to deliver their service commitments, including preserving existing underspends. Where a service is overspent or at risk of overspending, urgent financial recovery actions will be required in order to bring spending in line with approved budget levels.
- Further targeted controls will be put in place to review and control recruitment and enhanced review existing vacancies. This temporary targeted action will mean that some facilities may have to be temporarily closed and that service delivery will be directly affected. This may also result in further service business continuity plans being invoked. These additional targeted controls will include the following areas:
 - Any post which has been vacant for longer than 6 months will be subject to an enhanced review, and where possible deleted.
 - The Council will implement a temporary recruitment freeze, with the following prioritised exceptions:
 - posts aligned to the delivery of essential statutory functions;
 - Posts that will have a direct impact on life and limb;
 - Posts supporting key critical enablers of transformational change;
 - Posts which are fully externally funded.
 - All posts being considered for recruitment must be vacant and supported by a clear business plan, and signed off by relevant Head of Service.
 - The Council will implement further controls in the use of agency spend and overtime, with any request authorised in advance by Head of Service, and must be aligned to supporting the delivery of essential statutory functions. Managers are expected to make use of framework providers unless there is a clear justification not to do so.
 - The Council will implement a delay to current recruitment process, with posts progressing to recruitment being considered every 2 weeks.
- Council officers will work with partner bodies including Integration Joint Board to ensure that appropriate recovery actions are in place to mitigate the overspending.
- Council officers will continue to progress a review of operational assets, with a view to optimise usage in cost terms including minimising energy and maintenance costs and where possible

bring forward capital receipts to offset net borrowing requirements. This will also include mothballing buildings with particular focus on assets where utilisation / demand remains low, costs remain high and / or where staffing levels are not adequate to safely open the building to the public.

- In recognition of the ongoing affordability of the Capital Programme, and associated revenue pressures relating to borrowing and running costs, it is recommended to pause/delay all non-committed spend projects. Many of these projects have already been subject to timing delays and therefore not scheduled to progress in line with the timings anticipated within the budget. Any decision to realign current commitments on a permanent basis will be subject to future capital plan approval, and will be informed by affordability limits, external market conditions, delivery of statutory requirements and key strategies including Learning Estate and Asset Management Plan. Specifically this temporary pause will include the following projects:
 - East Saltoun Community Hall
 - Aberlady Primary School
 - East Linton Primary School
 - Court Accommodation
- In addition, it is recommended that any uncommitted areas of spend on recurring budgets which has flexibility will be paused including:
 - Roads
 - Vehicles
 - Community Intervention Fund

3.30 The timing and delivery of other projects aligned to statutory obligations remains subject to ongoing review. Should any further opportunity to delay these commitments arise, Council will be kept updated.

3.31 Further and ongoing work relating to a wider review of the General Services capital programme remains on-going particularly given the financial challenges relating to: Brunton, PLHS and Loch Centre. A further report will be brought back to Council in October once options appraisal work has been finalised, and will include an update on the ongoing review of the capital programme.

3.32 Whilst specifically any reduction in borrowing costs will not give rise to a revenue saving in 2023/24, current projections suggest that the reduction on the in-year borrowing requirement could save the Council up to £1.6 million in 2024/25. In addition, many of these projects also give rise to revenue running costs which will be an important mitigation in terms of managing the timing and mitigation of current revenue cost pressures.

- 3.33 It is recognised that these mitigation actions will place the Council in a very difficult position, and will unquestionably mean that Council services will be impacted, affecting both our staff and communities we service. These mitigation actions are not sustainable in isolation of necessary decisions aimed at reducing the recurring cost base on this Council but remain a critical and necessary intervention to support the Council's current financial position.

Part 2 – Future Financial Sustainability

- 3.34 Over and above the current year financial challenge the Council is estimating a recurring funding gap of £71m which will need to be closed over the next 5 years with £27m due to fall within the next financial year. This scale of this funding gap is equivalent to around 24% of the Council's annual revenue running costs. Within these projections, there remains significant risk that this could further increase with more details setting out the key financial risks below.

Key Financial Risks

Local Government Funding Settlement

- 3.35 Previous Council reports have set out the challenges within the national funding settlement, which is substantively impacting the Council's finances both in this current year, and remains a significant risk for future years given uncertainty over future funding settlements. The current national funding settlement is both insufficient to meet the totality of legislative and local requirements, and inflexible, with around 70-80% of the spend directed to support national policy commitments.
- 3.36 Furthermore, the national funding settlement currently does not reflect the recurring financial liability facing this Council in supporting its statutory requirements in relation to growth, impacting both the scale of the immediate and future financial projections. Whilst recognising the ambition of growth both locally and nationally, servicing a growing population is now placing increased demands and significant recurring financial burden on a wide range of council services to an unsustainable level. This is further evidenced by the following example reflected within recently approved budgets:
- School roll increase (2022/23 + 2023/24) £9 million
 - School roll increase by 2028/29 £29 million
 - Change in national core grant funding (22/23 + 23/24) £1.3 million
- 3.37 These costs will continue to increase in scale beyond the 5-year period aligned with growth commitments, and are in addition, to the significant capital infrastructure costs in meeting these growth requirements.

- 3.38 A 'new national deal' for local government has now been agreed, and whilst it is too early to determine the impact of this locally, unless some of these challenges relating to quantum, flexibility and funding for growth are addressed appropriately, this scale and potential impact remains very significant risk to the ongoing financial sustainability of this Council.

National Pay Award

- 3.39 Whilst a Teachers Pay agreement is in place for 2023/24, negotiations are ongoing for other staff groups. Trade Unions have rejected the level of pay increase that can be met from the current 2023/24 available resources (3% Council and 2.5% Scottish Government). Any settlement above this level is unfunded in 2023/24 and would be a recurring pressure in future years without additional funding from the Scottish Government.
- 3.40 Furthermore, there remains uncertainty around future pay awards for local government staff covering teaching and non-teaching. Current budget projections includes a future pay award of 2%. Given continuing high rates of inflation, the funding of a future pay award remains a significant risk both in terms of the current and future years projections.

Utility Inflation

- 3.41 An overspend of £400,000 is forecast for 2023/24. While this is lower than the pressure in 2022/23, there was a significant increase applied to utilities budgets for 2023/24 and this remains an area of considerable risk and pressure. Work is ongoing to identify 2024/25 budget increase requirements.
- 3.42 This remains a key risk and enhanced monitoring processes remain in place.

General Inflation

- 3.43 Despite a recent unexpected fall in the rate, general inflation remains high and continues to have an impact on the prices paid by the Council for goods and services. The UK Government target is to half inflation in 2023, but this remains a continued area of risk facing the Council, with many commissioned services and contracts linked to inflation.

Interest Rates

- 3.44 Interest rates are continuing to increase with expectations this will continue until the UK Government meets its inflation targets. Officers are continuing to update modelling to reflect changes in borrowing rates and to review the impact of this on revenue budgets and the affordability of the capital programme whilst developing options to mitigate the impact. The five-year budget from 2023/24 is reflective of these increased debt charges. This area remains under review.

Increased Demand for Services

- 3.45 With population growth and turbulence in the economy among other factors, demand for council services continues to increase and this will potentially put budgets under further pressure. The Quarter 1 position has highlighted increased demand for Homeless B&B accommodation, and increasing demand for social care services. Further pressures are also highlighted on the Scottish Welfare Fund.
- 3.46 The continuing cost of living crisis, wide range of external factors and increasing population, collectively place increased demand on Council services, at the same time where the financial risks and funding gaps remain at the highest level.

Budget Development – Closing the Gap

- 3.47 The Council has a legal requirement to set a balanced budget and council tax rate each year, ensuring that in doing so it is taking account of the total estimated resources required to be met by the authority in any year and statutory financial requirements.
- 3.48 The financial strategy for 2023/24 – 2027/28 approved by Council sets out the approach to setting a balanced budget and closing the gap between expenditure and funding. This references four key themes: income generation, asset rationalisation, transformation (including digital and service redesign) and service reduction.
- 3.49 In line with these key themes, Council approved further budget measures totalling £9.65m covering the period 2024/25 to 2027/28, including the requirement to deliver £3.69m in 2024/25. As referenced above, the projected budget gap for next year is £27m. Assuming the delivery of planned savings, to close this gap by council tax charges alone would require an increase by at least 32% in 2024/25 in order for a balanced budget to be set.
- 3.50 In order to minimise the potential burden on council tax payers, further options to decrease expenditure and/or increase income generation have been developed by officers, with a view to closing the gap between available resources and expenditure demands on a recurring basis, and to reduce the level of council tax increases required to set a balanced budget.
- 3.51 The scale of the budget gap means that without further funding it is highly likely that the Council will need to pursue reductions in service delivery in order to reduce costs. Decisions will therefore need to be informed by a clear understanding of the potential impact of making reductions to service delivery.
- 3.52 The work to develop budget savings proposals has focussed on all areas of council spending across all services, considering statutory and non-statutory functions and alternative delivery methods. As the options are

developed into more detailed budget proposals, officers will undertake integrated impact assessments (IIAs) in order to inform elected members' consideration of the budget, and support compliance with the Council's statutory duties under the Equality Act 2010. Decisions taken by Council on the budget will be made with reference to these assessments, ensuring that there is a clear understanding as to whether a particular group would be disproportionately impacted by the proposals.

- 3.53 In addition, the public will be asked to provide their views on the range of options to close the financial gap including the possibility of a significant council tax increase through a public consultation. The consultation will be issued in early autumn and will include targeted approaches to ensure that the views of hard to reach groups can be considered through the budget development process. This will build upon the results of the initial online consultation on budget priorities, the results of which have been published in the Members' Library.
- 3.54 The Cross-Party Budget Working group continues to meet to support the development of proposals to balance the budget from 2024/25 and beyond. Although not a forum for decision-making, this approach is intended to support the budget development process by ensuring that Members are sighted on the detail and impact of changes linked to budget decisions, to ensure that progress towards delivery of budget savings is on target and to act as an informal sounding board for ideas. Discussions will continue throughout that forum.
- 3.55 A significant proportion of financial challenges are driven by external factors outwith the Council's direct control. Senior officers and members of the Council continue to make strong representation to key stakeholders to seek solutions to support the Council in closing this gap, including the need for additional resources. These include:

Locally:

- An urgent cross party meeting has now been arranged to discuss the scale of the financial challenges, and in particular, the challenges associated with growth with the Deputy First Minister;
- In addition, the Council has engaged with all local MSPs setting out the scale of challenges facing East Lothian and seeking urgent action;
- Senior officers continue to make representation through relevant national forums and professional networks including regionally through the South East of Scotland City Region Deal;
- Council officers continue to operate strong financial controls on council spending aligned to political decisions, accelerate progress in transforming service delivery.

Nationally:

- Through COSLA, discussions continue with national government to support additional resources to address the significant financial challenges collectively facing local government;
- Through COSLA, discussions continue to pursue a fiscal framework aligned to the 'new deal' for local government which may seek flexibility in how and what resources and being made available to local councils.

Budget Development Timeline & Next Steps

3.56 The table below outlines a proposed timetable and key next steps to future budget development.

Date	Meeting	Action
Sept – Dec 2023	-	Public consultation on budget proposals
October 2023	Council	Revised general services capital budget 2023/24 onwards
October 2023	Council	Period 5 financial update 2023/24
October 2023	Council	Budget Development Update
December 2023	Council	Q2 financial update report, to include an overview of progress towards delivering agreed savings for 2023/24.
December 2023	Council	Financial & Capital Strategies 2024/25 onwards
January 2024	Cabinet / Council	Overview of draft Local Government Finance Settlement
January 2024	Cabinet / Council	Proposed fees & charges applicable from 1 April 2024
February 2024	Council	Agree GS capital & revenue and HRA budgets for 2024/25 onwards, including setting council tax and rent levels

- 3.57 The range of external and concurrent risks now means the Council is facing its greatest ever challenge in terms of supporting ongoing financial sustainability. The Council has exhausted all avenues to apply fiscal flexibilities and there remains a significant risk that all uncommitted reserves will be needed in order to meet current overspending. An urgent range of additional targeted interventions remains necessary to minimise net expenditure commitments, but this is not a sustainable solution. It remains unlikely that any additional national funding will be forthcoming and sufficient to meet the scale of the challenge facing East Lothian and protect services. The Council must do all that it can to support its ongoing sustainability and, as such, it remains critical that urgent policy decisions are taken to reduce net expenditure commitments of this Council. Failing to take these decisions will mean that the Council will be unable to continue in meeting these costs in the short to medium term.

4 POLICY IMPLICATIONS

- 4.1 The council's budget and financial strategies should be a representation of the Council Plan and strategic priorities in financial terms. The proposals within this report are intended to support the effective delivery of policy objectives as far as possible. However, in light of the acute financial challenges which the Council is now facing, without significant additional funding it is unlikely that it will be possible for the Council to deliver on all of the policy commitments within the Council Plan.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report has been considered and given there is no change in policy direction, there is no requirement to undertake any further impact assessment.
- 5.2 Equalities – impact assessments will be required for budget proposals which involve a significant change to delivery of services by East Lothian Council. Political groups will be provided with all relevant information relating to the potential impact of budget saving proposals as part of the budget development process.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – as described above and in the supporting appendices
- 6.2 Personnel - none
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Council – 13 December 2022 – Item 4 – Financial & Capital Strategy

- 7.2 Council – 28 February 2023 – Budget Development 2023/24
- 7.3 Council – 25 April 2023 – Finance Update
- 7.4 Council – June 2023 – Budget Development 2024/25 onwards

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Appendix - Part 1A – 2023/24 Q1 Financial Review

General Services Revenue:

- Planned reserves draw down - £11.8m (non recurring):
 - Transformation Fund and other Ring Fenced Funds, £1.6 million
 - Health & Social Care (IJB delegated services), £522,000 – this figure has been agreed with the IJB Chief Financial Officer
 - Capital Funding for Pay Award relating to 2022/23, £2.3 million (this becomes recurring revenue funding from 2024/25)
 - General fund reserve of £7.378 million.

- Key assumptions:
 - A projected increase of 5.5% in non-teaching staffing budgets from 1 April 2023 (which includes a 2.5% funding contribution from Scottish Government). Pay negotiations for non-teacher's pay remain ongoing and any increase above this level will result in an additional unfunded pressure with each additional 1% in excess of £1 million. Teachers pay for 2023/24 is agreed and reflected in the position.
 - Additional funding in excess of £1.3 million has been provided by the Scottish Government to fund a number of national priorities, and therefore cannot help alleviate wider pressures on the council's financial position.

- 2023/24 Planned Efficiencies:
 - At this stage, £530,000 of the approved efficiencies have been achieved, £2.997 million are assessed as achievable and £875,000 are assessed as unachievable, and set out below:
 - Review of Council Assets, £400,000 – the full saving from the closure of Randall House will not be achieved until 2024/25 as the building is not vacated until October 2023. This saving is deliverable in full by 2024/25 but is a pressure in 2023/24.
 - Review of Public Holiday Flexibility, £300,000 – it is unlikely that an agreement with Trade Unions in 2023/24 on this proposal.
 - Increased Rental Charges (Day Centres), £175,000 – it is unlikely that this arrangement will be delivered in 2023/24.

- Current pressures – Scottish Welfare Fund:
 - Increase in number of crisis grants:
 - 2022/23 (Q1) - 1368 crisis grant (CG) and 385 community care grant (CCG) applications to the SWF were received.
 - 2023/24 (Q1) - 1394 CG (+26) and 401 CCG (+16)
 - 2022/23 budget £0.951 million (included £0.350 million additional top up from the COVID-19 action fund)
 - 2023/24 core national funding £0.581 million
 - Spend to June 2023 - £0.316 million (54% of budget)
 - The most “high most compelling” priority rating. This would mean that under this rating, in order to be successful in securing support from the SWF:
 - the applicant’s need would be judged to be immediate and extremely severe
 - the applicant is judged to be highly vulnerable and at immediate risk
 - an award for the item or money requested would have a substantial, immediate and sustained effect in resolving or improving the health and wellbeing of the applicant or their family
 - there will be significant and immediate adverse consequences if the item or money is not provided

- Existing approved mitigation measures:
 - All Council Managers must do all that they can to ensure that they deliver their service commitments within their approved budget levels, including preserving existing underspends, and support cost recovery actions;
 - In addition to existing and targeted controls in place to review and control vacancies, introduce further vacancy controls to prioritise recruitment targeted at business critical risk areas linked to Business Continuity status, statutory functions, supporting trading activities delivering a surplus return or supporting the delivery of wider transformation projects.
 - Enhanced review of all Council’s reserves and carry forward commitments, (including earmarked reserves), and considering any opportunities to apply flexibility to mitigate existing pressures, or redirect to support future commitments.

- Explore all opportunities to apply ‘flexibilities’ within existing national funding streams where funding has been made available through the national settlement to support new / existing policy initiatives in line with the letter from Deputy First Minister on 1 November 2022, in discussion with political group leaders.
- Enhanced controls relating to carry forward funding requests, where these will only be permissible in very limited circumstances (e.g. aligned to national grant conditions).
- Enhanced review of all capital projects including options for further value engineering possibilities, exploring opportunities to pause non committed spend projects with a view to reprofiling projects in the future aligned to market conditions and wider affordability.
- Enhanced review of Council operational assets, to optimise usage in cost terms including minimising minimise energy and maintenance costs and where possible bring forward capital receipts to offset net borrowing requirements. This will also include options to temporarily mothball buildings.
- Maintain the temperature in all public buildings at 18 degrees max where possible.
- Introduce energy champions in all public buildings and explore the option of community champions.
- Suspension of policies automatically allowing flexibility on carry forward funding requests, with any approval considered in limited circumstances aligned to clear and essential business need.

General Services Capital:

- Summary of key areas of movement:
 - External market conditions remain challenging and this is placing significant financial challenges on the current approved capital programme and borrowing levels. Rising material, labour and fuel costs are affecting tender prices. In addition, contracts already in place are subject to further risk exposure and this remains challenging.
 - A new Skate Park in North Berwick. £40,000 of the overall cost of this project (25%) is supported through the Community Intervention Fund and the remainder will be met from external funding.
 - Support for Business (Gateside West, Haddington) is projecting an overspend due to works required to meet conditions for road adoption.

- Work is progressing to support Musselburgh Flood Projects aligned to national funding requirements and timescales.
- Cycling, Walking, Safer Streets (CWSS) has increased budget aligned to additional Scottish Government specific grant. The Council has also received additional funding to support Road Safety.
- A number of projections for Education projects have been amended to reflect progress with projects and timing of construction start. Funding to support the national roll out of free School Meals to P6-7 has been removed pending clarity on national discussions.
- The budget now includes capital expenditure aligned to Levelling up Project at Cockenzie, of which UK Government funds 90%. The Court Accommodation budget is being reassigned this financial year to fund essential roof upgrade works at John Muir House.
- The projection for use of developer contributions, early learning 1140 grant and other funding sources are directly linked to forecast projections of the projects they support.

Treasury Activity:

- External borrowing to 30 June 2023:

Lender	Principal	Type	Interest Rate	Maturity	Date
PWLB	£ 10m	Fixed rate Maturity	4.19%	6 years	18/04/2023
PWLB	£ 10m	Fixed Equal Instalments of Principal (EIP)	4.19%	11 years	18/04/2023
Total	£20m				

No borrowing was repaid during this timeframe.

- Key notes:
 - The borrowing requirement as reported in the General Services and HRA capital monitoring is borrowing from the loans fund.
 - The capital-financing requirement shown in Appendix 5 under items 1.2 and 1.3 is the financing still required after relevant grants and receipts have been applied, to fund the capital programme.
 - Actual external debt is shown in item 2.3 and the Loans Fund debt is shown in item 3.

Appendix 1
 East Lothian Council
 Budget Monitoring 2023/24 - Quarter 1

Service	Head of Service	Business Unit	2023/24 Budget	Year to Date			2023/24 Variance to Date	Financial Risk Assessment
				2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date		
				£'000	£'000	£'000		
Education & Children's	Children's	Performance & Service Delivery	1,367	317	320	-3	-0.94%	
Education & Children's	Children's	Management	4,332	1,132	648	484	74.69%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,831	542	564	-22	-3.90%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	2,473	565	569	-4	-0.70%	
Education & Children's	Children's	TAC, Disability & Resources	7,548	1,986	2,000	-14	-0.70%	
Education & Children's	Children's	Disability Short Breaks	689	226	251	-25	-9.96%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		19,240	4,768	4,352	416	9.56%	
Education & Children's	Education	Additional Support for Learning	12,300	7,245	7,215	30	0.42%	
Education & Children's	Education	Pre-school Education & Childcare	16,678	9,888	9,953	-65	-0.65%	
Education & Children's	Education	Schools - Primary	53,904	3,191	3,338	-147	-4.40%	
Education & Children's	Education	Schools - Secondary	56,076	9,750	9,056	694	7.66%	
Education & Children's	Education	Schools - Support Services	4,191	1,461	1,426	35	2.45%	
Education & Children's	Education	East Lothian Works	1,713	349	353	-4	-1.13%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		144,862	31,884	31,341	543	1.73%	
EDUCATION & CHILDREN'S TOTAL			164,102	36,652	35,693	959	2.69%	
Council Resources	Finance	Financial Services	3,625	955	1,057	-102	-9.65%	
Council Resources	Finance	Revenues & Benefits	3,432	86	126	-40	-31.75%	
Council Resources	Finance	Procurement	392	136	127	9	7.09%	
COUNCIL RESOURCES	FINANCE TOTAL		7,449	1,177	1,310	-133	-10.15%	
Council Resources	Corporate	IT Services	3,370	579	548	31	5.66%	
Council Resources	Corporate	People & Council Support	3,940	1,215	1,207	8	0.66%	
Council Resources	Corporate	Governance	2,371	320	330	-10	-3.03%	
Council Resources	Corporate	Communications	455	103	105	-2	-1.90%	
COUNCIL RESOURCES	CORPORATE TOTAL		10,136	2,217	2,190	27	1.23%	
COUNCIL RESOURCES TOTAL			17,585	3,394	3,500	-106	-3.03%	
Health & Social Care Partnership	Head of Operations	Adult Social Work	28,032	5,453	4,953	500	10.09%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	11,619	2,280	2,638	-358	-13.57%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,211	512	503	9	1.79%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	17,803	3,259	2,779	480	17.27%	
Health & Social Care Partnership	Head of Operations	Head of Operations	3,302	649	311	338	108.68%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,986	793	589	204	34.63%	
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		67,953	12,946	11,773	1,173	9.96%	
Health & Social Care Partnership	Head of Operations	Non-IJB	540	179	95	84	88.42%	
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		540	179	95	84	88.42%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			68,493	13,125	11,868	1,257	10.59%	
Place	Development	Planning	1,320	64	117	-53	-45.30%	
Place	Development	Economic Development	878	792	793	-1	-0.13%	
PLACE	DEVELOPMENT TOTAL		2,198	856	910	-54	-5.93%	
Place	Housing	Housing, Strategy & Development	243	276	298	-22	-7.38%	
Place	Housing	Property Maintenance Trading Account	-978	1,873	1,545	328	21.23%	
Place	Housing	Community Housing	2,764	-507	-566	59	10.42%	
PLACE	HOUSING TOTAL		2,029	1,642	1,277	365	28.58%	
Place	Infrastructure	Facility Support Services	4,569	739	705	34	4.82%	
Place	Infrastructure	Facility Trading Activity	-328	-371	-403	32	-7.94%	
Place	Infrastructure	Asset Maint & Engineering Services	3,672	821	839	-18	-2.15%	
Place	Infrastructure	Asset Management & Capital Planning	-214	272	335	-63	-18.81%	
Place	Infrastructure	Landscape & Countryside Management	6,187	1,805	1,798	7	0.39%	
Place	Infrastructure	Roads Network	4,802	822	811	11	1.36%	
Place	Infrastructure	Roads Trading Activity	-666	55	50	5	10.00%	
Place	Infrastructure	Transportation	1,990	314	379	-65	-17.15%	
Place	Infrastructure	Waste Services	10,361	1,566	1,589	-23	-1.45%	
Place	Infrastructure	Active Business Unit	4,062	988	954	34	3.56%	
PLACE	INFRASTRUCTURE TOTAL		34,435	7,011	7,057	-46	-0.65%	
Place	Communities & Partnerships	Corporate Policy & Improvement	1,157	287	301	-14	-4.65%	
Place	Communities & Partnerships	Connected Communities	6,818	2,416	2,466	-50	-2.03%	
Place	Communities & Partnerships	Protective Services	2,063	430	448	-18	-4.02%	
Place	Communities & Partnerships	Customer Services Group	4,794	1,046	1,098	-52	-4.74%	
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		14,832	4,179	4,313	-134	-3.11%	
PLACE TOTAL			53,494	13,688	13,557	131	0.97%	
SERVICE TOTAL			303,674	66,859	64,618	2,241	3.47%	
CORPORATE MANAGEMENT TOTAL			-303,674	-124,643	-125,863	1,220	-0.97%	
TOTAL			0	-57,784	-61,245	3,461	5.65%	

Appendix 2
 East Lothian Council
 2023/24 Budget Efficiencies - Quarter 1

Service	2023/24			
	Achieved	Amber	Unachievable	
	£'000	£'000	£'000	
Education	189	810	0	
Finance	107	0	0	
Corporate Services	28	67	0	
H&SCP	0	250	0	
Development	30	250	0	
Housing	28	50	0	
Communities	148	97	0	
Infrastructure	0	583	175	
Corporate Management	0	890	700	
Total	530	2,997	875	4,402
	12.04%	68.08%	19.88%	

Savings Currently Unachievable - Red

Service	Proposal	Value	Comments
Infrastructure	Increased Rental Charges (Day Centres)	175	Unlikely to be achieved in 2023/24
Corporate	Review of Council Assets	400	Full Randall House Saving won't be cashed until 2024/25 as the building will incur costs to October 2023.
Corporate	Reduce Public Holidays by 2 days	300	No agreement expected with Trade Unions in 2023/24.
Total		875	

Appendix 3

East Lothian Council

Budget Monitoring 2023/24 - Additional Funding from the Scottish Government

	£million
2023/24 GRG (per Budget Amendment)	213.951
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Additional Funding - GRG	
SDS Funding	0.055
Non Teaching Pay	0.006
Additional GRG for Pay	0.936
Targeted Holiday Provision for School Age Children Summer 2023	0.065
Employability Staffing Resource and Child Poverty Co-ordinators	0.250
Total Additional Funding	1.312
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Revised GRG	215.263

Appendix 4
East Lothian Council
General Services Capital Budget Monitoring Summary 2023-24
Quarter 1

	RAG	Approved Budget 2023/24	Updated Budget 2023/24	Actual 2023/24	Updated Budget-Actual Variance 2023/24	Projected Outturn 2023/24	Updated Budget - Projection Variance 2023/24
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000
Community Projects							
Community Intervention	G	375	375	(130)	(505)	335	(40)
Community Intervention Fund - Pump Tracks	G	475	500	-	(500)	500	-
Bleachingfield Centre Remodelling Works	G	90	90	1	(89)	90	-
Dunbar Conservation Area Regeneration Scheme (CARS)	G	327	405	-	(405)	405	-
East Saltoun Community Hall	G	400	400	-	(400)	400	-
North Berwick Skatepark	G	-	-	-	-	160	160
Support for Business	G	-	229	117	(112)	313	84
CCTV	G	128	247	-	(247)	247	-
Town Centre Regeneration	G	500	1,345	104	(1,241)	1,345	-
Total Community Projects		2,295	3,591	91	(3,499)	3,795	204
Town Centre Regeneration Grant		(500)	(1,520)	-	(1,520)	(1,345)	175
Other Funding Sources		(616)	(694)	-	(694)	(814)	(120)
Total Income: Community Projects		(1,116)	(2,214)	-	(2,214)	(2,159)	55
Community Projects - General Capital Grant/Borrowing Requirement		1,179	1,377	91	(5,713)	1,636	259
ICT							
IT Programme & Digital Opportunities	G	2,200	2,200	317	(1,883)	2,200	-
Total ICT		2,200	2,200	317	(1,883)	2,200	-
Total Income: ICT		-	-	-	-	-	-
ICT - General Capital Grant/Borrowing Requirement		2,200	2,200	317	(1,883)	2,200	0
Fleet							
Amenties - Machinery & Equipment - replacement	G	200	246	54	(192)	246	-
Vehicles	G	4,509	4,299	578	(3,720)	4,299	-
Total Fleet		4,709	4,545	632	(3,912)	4,545	-
Total Income: Fleet		-	-	-	-	-	-
Fleet - General Capital Grant/Borrowing Requirement		4,709	4,545	632	(3,912)	4,545	0
Open Space							
Synthetic Pitch Replacement Programme	G	571	571	14	(557)	851	280
Cemeteries (Burial Grounds)	G	818	1,077	14	(1,063)	1,077	-
River Tyne / Haddington Flood Protection scheme	G	400	425	-	(425)	200	(225)
Coastal / Flood Protection schemes - Musselburgh	G	2,883	2,978	128	(2,850)	2,730	(248)
Coastal Car Park Toilets	G	-	64	-	(64)	64	-
Core Path Plan	G	50	50	-	(50)	50	-
Mains Farm Town Park & Pavilion	G	-	4	4	(0)	4	(0)
Nature Restoration	G	24	125	13	(112)	108	(18)
Replacement Play Equipment	G	218	317	115	(202)	317	-
Polson Park	G	20	20	-	(20)	20	-
Sports and Recreation LDP	G	2,613	3,068	6	(3,063)	2,829	(239)
Waste - New Bins	G	160	160	49	(111)	160	-
Waste - Machinery & Equipment - replacement	G	40	40	-	(40)	40	-
Total Open Space		7,797	8,899	344	(8,556)	8,450	(450)
Developer Contribution		(1,445)	(1,746)	-	1,746	(1,502)	244
Other Funding Sources		(1,172)	(1,450)	-	1,450	(1,432)	18
Total Income: Open Space		(2,617)	(3,196)	-	3,196	(2,934)	262
Open Space - General Capital Grant/Borrowing Requirement		5,180	5,703	344	(5,360)	5,516	(188)
Roads, Lighting and related assets							
Cycling Walking Safer Streets	G	478	582	162	(420)	1,046	464
East Linton Rail Stop / Infrastructure	G	1,500	27	-	(27)	27	-
Parking Improvements	G	252	274	30	(245)	274	-
Roads	G	6,735	6,865	917	(5,948)	7,069	204
Roads - externally funded projects	G	4,251	4,251	146	(4,105)	4,251	-
Total Roads, Lighting and related assets		13,216	11,999	1,254	(10,745)	12,667	668
Developer Contribution		(47)	(47)	-	47	(47)	-
Other Funding Sources		(4,682)	(4,786)	-	5,453	(5,453)	(668)
Total Income: Roads, Lighting and related assets		(4,729)	(4,833)	-	5,500	(5,500)	(668)
Roads etc. - General Capital Grant/Borrowing Requirement		8,487	7,166	1,254	(5,244)	7,166	0
Property - Education							
Aberlady Primary - extension	A	2,817	2,868	1	(2,868)	1,500	(1,368)
Blindwells Primary - new school	A	13,611	13,650	-	(13,650)	5,000	(8,650)
Craighall Primary - New School	A	13,411	13,451	-	(13,451)	5,000	(8,451)
East Linton Primary - new school	G	600	674	-	(674)	674	-
Free School Meals Expansion to P6-7	A	1,544	1,544	-	(1,544)	-	(1,544)

Appendix 4
East Lothian Council
General Services Capital Budget Monitoring Summary 2023-24
Quarter 1

	RAG	Approved Budget 2023/24	Updated Budget 2023/24	Actual 2023/24	Updated Budget-Actual Variance 2023/24	Projected Outturn 2023/24	Updated Budget - Projection Variance 2023/24
		£'000	£'000	£'000	£'000	£'000	£'000
Expenditure							
Gullane Primary - extension including Early Learning and 1140	G	-	-	(390)	(390)	-	-
Law Primary - extension including Early Learning and 1140	G	360	581	429	(152)	876	295
Letham Primary - New School	G	-	112	149	37	112	-
North Berwick High School - Extension	G	-	1,331	127	(1,203)	1,331	-
Ormiston Primary - extension	G	-	34	3	(31)	34	-
Pinkie St Peter's Primary - sports hall extension	G	774	846	222	(625)	846	-
Pinkie St Peter's Primary - extension including Early Learning and 1140	G	939	1,115	546	(569)	1,115	-
Preston Lodge High School - extension (phase 1)	G	1,153	1,200	-	(1,200)	1,200	-
Prestonpans Primary - upgrades	G	243	245	-	(245)	245	-
Ross High School - extension	G	172	219	76	(143)	219	-
School Estate - Curriculum Upgrades	G	1,083	1,083	-	(1,083)	50	(1,033)
St Gabriel's Primary - extension including Early Learning and 1140	G	-	122	-	(122)	122	-
Wallyford Primary - New School	G	59	108	-	(108)	108	-
Wallyford Learning Campus	G	8,130	9,371	3,359	(6,012)	9,371	-
West Barns Primary - extension including Early Learning and 1140	G	234	633	180	(453)	633	-
Whitecraig Primary - new school including Early Learning and 1140	G	8,436	8,436	21	(8,414)	8,436	-
Windygoul Primary - Early learning and 1140 extension	G	1,930	1,991	-	(1,991)	1,991	-
Total Property - Education		55,497	59,613	4,721	(54,892)	38,862	(20,751)
Developer Contribution		(9,475)	(11,484)	-	11,484	(11,484)	-
Developer Contribution (Post completion)						(427)	
1140 Grant Income		(2,708)	(2,907)	-	2,907	(3,117)	(210)
Total Income: Property - Education		(12,183)	(14,391)	-	14,391	(15,028)	(210)
Property Education - General Capital Grant/Borrowing Requirement		43,314	45,222	4,721	(40,501)	23,834	(20,961)
Property - Other							
Accelerating Growth		3,281	6,614	1,953	(4,661)	10,379	3,766
- Cockenzie	G	126	612	533	(78)	610	(1)
- Levelling Up Project Cockenzie	G	-	-	-	-	3,767	3,767
- Blindwells	G	40	153	2	(152)	153	-
- Innovation Hub	G	2,115	2,748	150	(2,598)	2,748	-
- A1/QMU Junction	G	1,000	3,101	1,268	(1,833)	3,101	-
Brunton Hall - Improved Community Access	G	-	23	-	(23)	23	-
Court Accommodation - incl. SPOC	G	1,506	1,506	2	(1,504)	800	(706)
New ways of working Programme	G	1,335	1,637	87	(1,550)	1,637	-
Prestonrange Museum	G	1,496	1,840	44	(1,796)	1,840	-
Property Renewals	G	2,000	2,000	91	(1,909)	2,000	-
Replacement Childrens House	G	867	867	-	(867)	-	(867)
Sports Centres	G	240	240	37	(203)	240	-
Whitecraig Community Centre	G	-	49	-	(49)	49	-
Total Property - Other		10,724	14,775	2,214	(12,561)	16,969	2,193
Developer Contribution (Post completion)		(1,909)	(1,909)	-	1,909	(1,909)	-
Capital receipts		(31)	(31)	-	366	(366)	(335)
Other Funding Sources		(2,047)	(1,755)	-	4,908	(4,908)	(3,153)
Total Income: Property - Other		(3,987)	(3,695)	-	7,183	(7,183)	(3,488)
Property Other - General Capital Grant/Borrowing Requirement		6,737	11,081	2,214	(5,378)	9,786	(1,295)
Total Property Spend - Education and Other		66,221	74,389	6,935	(67,453)	55,831	(18,558)
Total Income: Property - Education and Other		(16,170)	(18,086)	-	21,574	(22,211)	(3,698)
Property-Education and Other - General Capital Grant/Borrowing Requirement		50,051	56,303	6,935	(45,879)	33,620	(22,256)
Capital Plan Fees	G	2,479	2,479	-	(2,479)	2,479	-
PPP Projects		-	-	-	-	497	497
Total Gross Expenditure		98,916	108,101	9,574	(98,527)	90,462	(18,136)
Other Funding Sources		-	-	-	-	(497)	-
Total Income:PPP Projects		-	-	-	-	(497)	-
Income							
Developer Contribution	G	(10,967)	(13,277)	-	13,277	(13,033)	244
Developer Contribution (Post completion)	G	(2,336)	(2,336)	-	2,336	(2,336)	-
1140 Grant Income	G	(2,708)	(2,907)	-	2,907	(3,117)	(210)
Town Centre Regeneration Grant	G	(500)	(1,520)	-	1,520	(1,345)	175
Capital receipts		(2,031)	(2,031)	-	2,031	(2,366)	
Other Funding Sources	G	(8,517)	(9,212)	-	9,212	(13,104)	(3,892)
Scottish Government General Capital Grant		(5,626)	(5,626)	-	5,626	(4,301)	1,325
Total Income		(32,685)	(36,909)	-	36,909	(39,602)	(2,358)
Borrowing Requirement		66,232	71,192	9,574	(61,618)	50,860	(20,494)

Appendix 5
Prudential and Treasury Indicators 2023/24
Quarter 1

1 PRUDENTIAL INDICATORS	2022-23	2023-24	2023-24
	Actual £'000	Budget £'000	Q1 Projection £'000
1.1 Capital Expenditure			
General Services	87,955	98,916	90,462
HRA	40,349	33,964	44,253
TOTAL	128,304	132,880	134,715
1.2 Capital Financing Requirement (CFR) – General Services			
brought forward 1 April	257,927	309,114	295,377
carried forward 31 March	295,377	372,650	342,617
In year borrowing requirement	37,450	63,536	47,240
1.3 Capital Financing Requirement (CFR) - HRA			
brought forward 1 April	219,522	245,305	240,066
carried forward 31 March	240,066	265,974	267,395
In year borrowing requirement	20,544	20,669	27,329
1.4 Total CFR excluding PPP and leases			
General Services	295,377	372,650	342,617
HRA	240,066	265,974	267,395
TOTAL	535,443	638,624	610,012
1.5 Annual Change in CFR			
General Services	37,450	63,536	47,240
HRA	20,544	20,669	27,329
TOTAL	57,994	84,205	74,569
1.6 Ratio of financing costs to net revenue stream			
General Services	2.72%	4.37%	4.37%
HRA	30.10%	36.24%	35.02%
1.7 Impact of Capital Investment Decisions			
General Services – Debt per Band D equivalent	£4,943	£6,086	£5,595
HRA – Debt per dwelling	£26,254	£28,652	£28,805

2 TREASURY MANAGEMENT INDICATORS	2022-23	2023-24	2023-24
	Actual £'000	Budget £'000	Q1 Projection £'000
2.1 Authorised Limit for External Debt -			
Borrowing at 31 March	601,000	680,000	662,000
Other long term liabilities (PPP and Leases)	33,000	31,000	31,000
Total	634,000	711,000	693,000

2.2 Operational Boundary for External Debt -			
Borrowing at 31 March	535,442	638,623	610,011
Other long term liabilities (PPP and Leases)	32,214	30,686	30,687
Total	567,656	669,309	640,698
2.3 Actual External Debt			
Borrowing at 31 March	441,503	573,341	512,385
Other long term liabilities (PPP and Leases)	32,214	30,687	30,688
Total	473,717	604,028	543,073

3 LOANS FUND	2022-23	2023-24	2023-24
	Actual £'000	Budget £'000	Q1 Projection £'000
3.1 General Services			
Opening balance	257,927	309,114	295,376
Add advances	37,776	65,957	50,803
Less repayments	(326)	(2,420)	(3,563)
Closing balance	295,376	372,650	342,616
3.2 HRA			
Opening balance	219,522	245,305	240,065
Add advances	25,366	26,068	32,711
Less repayments	(4,822)	(5,399)	(5,382)
Closing balance	240,065	265,973	267,394
3.3 Total			
Opening balance	477,448	554,418	535,442
Add advances	63,142	92,024	83,514
Less repayments	(5,148)	(7,819)	(8,945)
Closing balance	535,442	638,624	610,010

Appendix 6
East Lothian Council
Budget Monitoring HRA 2023/24 - Quarter 1

	2023/24 Budget	2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date
	£'000	£'000	£'000	£'000
Total Income	-37,482	-9,304	-9,372	68
Total Expenditure	36,233	3,117	3,320	-203
(Surplus) / Deficit for Year	-1,249	-6,187	-6,052	-135

	2023/24 Budget £'000
Management of Balances	
Opening (Surplus) / Deficit	-1,486
CFCR	1,200
(Surplus) / Deficit for Year	-1,249
Closing (Surplus) / Deficit	-1,535

Appendix 7

East Lothian Council

Budget Monitoring HRA Capital 2023/24 - Quarter 1

	2023/24 Budget	2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date
	£'000	£'000	£'000	£'000
Modernisation	10,709	1,369	2,677	-1,308
Energy Efficiency Fund	2,500	110	625	-515
New Council Housing	19,037	7,374	4,759	2,615
Fees	1,438	0	0	0
Mortgage to Rent	280	230	0	230
TOTAL	33,964	9,083	8,061	1,022

Funded By:

	2023/24 Budget	2023/24 Actual to Date	2023/24 Budget to Date	2023/24 Budget Variance to Date
	£'000	£'000	£'000	£'000
Grants	-6,500	-6,447	-1,625	-4,822
Grants MTR	-196	-166	0	-166
CFCR	-1,200	-1,200	-1,200	0
Borrowing	-26,068	-1,270	-5,237	3,967
TOTAL	-33,964	-9,083	-8,062	-1,021

REPORT TO: East Lothian Council
MEETING DATE: 29 August 2023
BY: Executive Director for Council Resources
SUBJECT: Fairer Council Tax Consultation Response

4

1 PURPOSE

- 1.1 To provide Council with an overview of the consultation on changes to council tax multipliers, and inform members of the potential implications of this for East Lothian.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Note the joint consultation to change the council tax bandings
 - Note the potential implications of changes to the council tax multipliers within East Lothian.
 - Note that political groups and members of the public are encouraged to provide their views on the proposed changes through individual responses to the consultation.
 - Consider the key issues raised within this paper, including the principles set out in paragraph 3.27 and specifically:
 - Provide a view on whether a response, if any, should be submitted from the Council;
 - If a response is to be provided, provide specific clarity on whether changes to council tax on properties in Bands E to H should apply.

3 BACKGROUND

- 3.1 For the purposes of council tax, domestic properties are split into eight bands (A-H), depending on the price they would have sold for in April 1991, when valuations for the current system were made.
- 3.2 The bandings determine the level of council tax due for each band of property, relative to the band D (average) charge.
- 3.3 Although the level of council tax charged is determined by individual councils, the multipliers are set by Scottish Government through regulations, and Valuation Boards determine the banding for each property.
- 3.4 In 2017, Scottish Government increased the multipliers for properties in band E, F, G and H by 7.5%, 12.5%, 17.5% and 22.5% respectively, and this remains in place.

Proposed changes

- 3.5 Scottish Government and COSLA have issued a consultation on some proposed changes to the council tax multipliers within bands E-H. A link to the consultation is included within the background papers section of this report, with consultation responses by 20 September 2023. As part of the consultation, views are being sought as to whether those in properties in the highest bands should be making a greater contribution.
- 3.6 The change being consulted on is to repeat the 2017 changes to the multiplier, meaning that Council Tax would increase by 7.5%, 12.5%, 17.5% and 22.5% for properties valuation Bands E, F, G and H respectively if the rates for Band D properties remained unchanged. The table below summarises the previous (pre-2017), current and proposed multipliers for each band:

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
Pre-2017	0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00
Post 2017	0.67	0.78	0.89	1.00	1.31 (+7.5%)	1.63 (+12.5%)	1.96 (+17.5%)	2.45 (+22.5%)
2023 Proposals	0.67	0.78	0.89	1.00	1.41 (+7.5%)	1.82 (+12.5%)	2.30 (+17.5%)	3.00 (+22.5%)

Table 1: Comparison between Pre-2017, Post-2017, and with 2023 Consultation Proposals: Change in Council Tax Multipliers

- 3.7 This shows that under the current system, the council tax charge for a band H property is 2.45 times the charge for an average, band D property. Under the proposed changes, this differential increases to 3.00 times the band D charge.

- 3.8 The rationale for the proposal is to bring council tax more into line with the Scottish Government's fair and progressive approach to taxation, as set out in the Framework for Tax. This is on the basis of the relative value of properties within the higher bands, compared with those in the lower bands.
- 3.9 The consultation is seeking a range of views on the rate, timing and impact to inform any decision on this. It is very difficult to quantify in full what this would mean to both the Council and local community, and this report seeks to highlight some of these wider risks and assumptions. If changes were to take effect from 2024-25, any increases could either be introduced in full or through a phased-approach of up to 3 years, which would see percentage year-on-year increases over a number of financial years to that maximum level.
- 3.10 Since the multipliers are set nationally, there is no scope for local decision-making or discretion around how these changes would be applied.

Local Impact

- 3.11 It is estimated that the proposed changes would impact 19,659 households in East Lothian, approximately 37% of dwellings. The impact of the proposed changes based on 2023/24 council tax levels is set out in the table and would see an increase in Bands E to H of £141, £292, £492 and £791 per dwelling. **This excludes any annual increases to the council tax charges made as part of budget setting.**

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
No. properties*	1,185	9,542	15,485	6,967	7,374	6,280	5,287	718
Current charge**	£957.08	£1,116.59	£1,276.10	£1,435.62	£1,886.24	£2,332.88	£2,811.42	£3,517.26
Proposed	£957.08	£1,116.59	£1,276.10	£1,435.62	£2,027.71	£2,624.49	£3,303.42	£4,308.64
Difference	£0.00	£0.00	£0.00	£0.00	£141.00	£291.61	£492.00	£791.38
% change	0%	0%	0%	0%	7.5%	12.5%	17.5%	22.5%

*Forecast property nos. at 1/4/24

**2023/24 charge, excluding water and waste charges

- 3.12 Appendix 1 sets out the net impact for the Council. If these changes were implemented in full in 2024/25, taken alongside the key assumptions set out in the current budget projections (council tax increase of 5% and estimated housing growth), the additional net income that would be generated from East Lothian residents is estimated to be £5.0m.
- 3.13 However, it is important to note that under the current method of distributing funding to local government, this increase would be taken into account and a negative reduction would be applied to the funding received through the general revenue grant.

- 3.14 The consultation also makes reference to the fact that the proportion of properties in each valuation bands E-H varies across the country, which means that some councils would benefit more than others from any increases in council tax in these property bands. Respondents are asked whether steps should be taken to ensure that all councils benefit proportionately from this policy. Given the relatively higher proportion of properties within these bands in East Lothian (37%) compare to Scotland overall (25%), this presents a further risk that revenue raised from local tax payers would be redistributed elsewhere and therefore would not be available for investment in local services.
- 3.15 Furthermore, the relatively high proportion of properties within these bands would leave this council exposed to a higher degree of risk in relation to non-collection, as well as needing to meet the potential additional costs of council tax reduction which would arise from these changes.
- 3.16 As set out further in Appendix 1, if the changes were phased in over three years, then the benefit of the change to the multipliers in 2024/25 is estimated at £1.7m (on the same calculation basis), with the full benefit of the change to the multiplier materialising in 2026/27.
- 3.17 The funding gap for 2024/25 is currently estimated at £27.1m, and the cumulative funding gap over the next 5 years is £71m. There is therefore a high likelihood that it will be necessary to increase the council tax charge in order to balance the budget. This would result in ratepayers within bands E-H facing significant increases in their council tax bills over a short period. Based on current modelling assumptions of 5%, this would see increases in Bands E – H of between 12.9% and 28.6% (£242 to £1,007).
- 3.18 A range of external factors will impact on the affordability of the proposed increases for households, in particular the impact of rising interest rates which will constrain household finances as fixed rate mortgage deals come to an end. The Council does not collect data regarding the income of council tax payers to enable conclusions to be formed as to the affordability of the proposed changes for these households. Data that is held regarding this group of households indicates that of the 19,659 band E-H properties in East Lothian:
- 465 (2.4%) claim council tax reduction; and
 - 3,637 (18.5%) claim a 25% discount due to being a single person household or through entitlement to other discounts or disregards.
- 3.19 Current collection rates for this group of properties are slightly higher than overall collection rates (for 2022/23 collection rates for bands E-H were 99.34%, compared with 97.6% overall).
- 3.20 Councils administer the Scottish Government's means-tested Council Tax Reduction (CTR) scheme which reduces or eliminates the council tax

liability for lower income households. Entitlement to CTR and the amount awarded is based on the characteristics, capital, needs and income of the household. If someone is liable for council tax, they may be able to get one of the following:

- Council Tax Reduction – if they are in receipt of certain benefits such as universal credit or have a low income.
- Council Tax Bands E to H relief scheme – if they are living in a home in bands E to H and their income is less than £321 a week if they are single, or £479 a week if they have a partner or children, and they have savings below £16,000.
- Second Adult Rebate Scheme – if they have a non-dependent who stops them getting a discount and the non-dependant has a low income

The award depends on which one of the schemes gives them the most money off their Council Tax bill.

- 3.21 The Council currently has an unfunded burden on the Council Tax Reduction Scheme (CTRS) of £1m, and this and any wider changes in CTRS policy must be supported with additional resources.

Impact on distribution

- 3.22 The consultation notes that some council areas could benefit from the proposed multiplier changes to a greater extent than others, due to having a greater number of band E-H properties (37% of all dwellings compared to 25% nationally).
- 3.23 This is already reflected through changes to the national distribution formula arising from the 2017 multiplier changes, where general revenue grant funding compensates for the different proportions of properties in each council tax band. Given East Lothian has a higher number of properties above Band D than other local authorities, as such it receives a lower level of General Revenue Grant. This will result in a further impact if the changes in multiplier is introduced.
- 3.24 Council tax raised is currently retained locally, and any change to redistribute this would be a change to current national policy. It is difficult to fully quantify what the impact of such a change would be to the council through the national distribution formula and the consultation does not provide any detail on this. As noted elsewhere in this paper, the Council could also face additional pressures from increased costs of the council tax reduction scheme as a result of this change.

Conclusions

- 3.25 The consultation closes on 20 September 2023. As noted in this paper, the Council does not hold sufficient data to draw firm conclusions on the potential impact and affordability of the proposed changes for taxpayers in East Lothian.
- 3.26 In addition, further clarity would be needed in order to form a judgement on the financial implications for the Council of any proposed redistribution of additional revenue raised through changes to the multipliers.
- 3.27 Taking into consideration the key issues highlighted within this paper, Council is recommended to consider what response if any should be submitted to the consultation, and specifically whether changes to Council tax on properties in Bands E-H should apply. In considering whether a response should be provided, consideration should be given to the following key principles:
- Any benefits of any increases to council tax charges which are borne by local residents should be retained in full for investment in local services.
 - Appropriate national funding should be made available to cover the full cost of the council tax reduction scheme and any potential changes to existing policy.

4 POLICY IMPLICATIONS

- 4.1 The consultation relates to a potential change in national policy. The Council will not have discretion over whether or not to apply the proposed changes locally if they are implemented by Scottish Government.

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 – as described within the report
- 6.2 Personnel - none
- 6.3 Other – none

7 BACKGROUND PAPERS

7.1 Link to consultation: [Fairer Council Tax: consultation - gov.scot \(www.gov.scot\)](https://www.gov.scot/consultations/fairer-council-tax)

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DATE	21 August 2023

Appendix 1 – Indicative Scenarios including 5% council tax increases

Forecast additional revenue shown in the below scenarios does not make allowance for any redistribution or take account of reductions to the General Revenue Grant.

Scenario 1 (5% increase in 2024/25, assumes multiplier changes are applied in full in 2024/25)

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
No. properties*	1,185	9,542	15,485	6,967	7,374	6,280	5,287	718
23/24 charge	£957.08	£1,116.59	£1,276.10	£1,435.62	£1,886.24	£2,332.88	£2,811.42	£3,517.26
Proposed 24/25	£1,004.93	£1,172.42	£1,339.91	£1,507.40	£2,129.09	£2,755.71	£3,468.59	£4,524.08
Difference	£47.85	£55.83	£63.81	£71.78	£242.85	£422.83	£657.17	£1,006.82
% change	5%	5%	5%	5%	12.9%	18.1%	23.4%	28.6%

*Forecast property nos. at 1/4/24

Estimated additional income to council in 2024/25 £5.0m [2025/26 £5.4m, 2026/27 £5.7m].

Scenario 2 (5% annual increase from 2024/25 (assumes multiplier changes are phased in over 3 years)

2024/25

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
No. properties*	1,185	9,542	15,485	6,967	7,374	6,280	5,287	718
23/24 charge	£957.08	£1,116.59	£1,276.10	£1,435.62	£1,886.24	£2,332.88	£2,811.42	£3,517.26
Proposed 24/25	£1,004.93	£1,172.42	£1,339.91	£1,507.40	£2,030.07	£2,551.59	£3,124.19	£3,970.11
Difference	£47.85	£55.83	£63.81	£71.78	£143.83	£218.71	£312.77	£452.85
% change	5%	5%	5%	5%	7.6%	9.4%	11.1%	12.9%

*Forecast property nos. at 1/4/24

Estimated additional income to council in 2024/25 £1.7m

2025/26

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
No. properties*	1,193	9,550	15,540	7,327	7,546	6,350	5,381	734
24/25 charge	£1,004.93	£1,172.42	£1,339.91	£1,507.40	£2,030.07	£2,551.59	£3,124.19	£3,970.11
Proposed 25/26	£1,055.18	£1,231.04	£1,406.91	£1,582.77	£2,181.09	£2,781.23	£3,452.60	£4,445.60
Difference	£50.25	£58.62	£67.00	£75.37	£151.02	£229.64	£328.41	£475.49
% change	5%	5%	5%	5%	7.4%	9.0%	10.5%	12.0%

*Forecast property nos. at 1/4/25

Estimated additional income to council in 2025/26 £3.5m

2026/27

	Band A	Band B	Band C	Band D	Band E	Band F	Band G	Band H
No. properties*	1,200	9,557	15,588	7,642	7,696	6,412	5,463	748
25/26 charge	£1,055.18	£1,231.04	£1,406.91	£1,582.77	£2,181.09	£2,781.23	£3,452.60	£4,445.60
Proposed 26/27	£1,107.94	£1,292.60	£1,477.25	£1,661.91	£2,339.66	£3,022.36	£3,797.43	£4,944.86
Difference	£52.76	£61.56	£70.34	£79.14	£158.57	£241.13	£344.83	£499.26
% change	5%	5%	5%	5%	7.3%	8.7%	10%	11.2%

*Forecast property nos. at 1/4/26

Estimated additional income to council in 2026/27 £5.5m

Note: Additional income is estimated in comparison to a base model with the same 5% Council Tax increases and housing growth assumption.

REPORT TO: East Lothian Council
MEETING DATE: 29 August 2023
BY: Chief Executive
SUBJECT: Corporate Risk Register 2023-24

5

1 PURPOSE

- 1.1 The Corporate Risk Register was last reported to Council in December 2022 as well as being reported to both Cabinet and Audit & Governance Committee in June 2023. Within the context of developing international, national and local risks impacting on delivery of Council services and local communities, the Corporate Risk Register, although live, is being reported to Council given the continued substantial levels of heightened risk.
- 1.2 The significant economic factors driving increased financial pressures and risks for the Council have been incorporated into the relevant risks across the Corporate Risk Register. Any further risk developments impacting on the Council in the period from 14 August 2023 will be reported verbally at Council in presentation of this report.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council approves the Corporate Risk Register and in doing so, the Council is asked to approve that:
 - The Corporate Risk Register is maintained as a 'live' document which will be reviewed by the Council Management Team (CMT), the CMT sub-group on Risk Management, Service Management Teams (SMT), risk owners and the Corporate Risk Management Group on a regular basis and reported back to Council as and when required;
 - agree that the relevant risks have been identified;
 - agree that the significance of each risk is appropriate to the current nature of the risk;

- agree that the total profile of corporate risk can be borne by the Council at this time in relation to the Council's appetite for risk but in the context of the planned mitigations; and,
- recognise that, although while Corporate Risks require close monitoring and scrutiny over the next year, many are long term risks for the Council that are likely to be a feature of the risk register over a number of years.

3 BACKGROUND

- 3.1 In keeping with the Council's Risk Management Strategy and reflecting upon the concurrent and constantly changing nature of risks managed by the Council, the Corporate Risk Register, although live, is being reported to Council given the continued substantial levels of heightened risk. The Corporate Risk Register takes into account the international, national and local risk factors impacting on the delivery of Council services and is also informed by the impacts of business continuity arrangements currently deployed in some services across Council.
- 3.2 The 2023-24 Corporate Risk Register as at 14 August 2023, currently includes 7 Very High Risks, 6 High Risks, 7 Medium Risks and 1 Low Risk.
- 3.3 CMT have assembled a sub-group on Risk Management which meets on a bi-monthly basis to monitor and drive Risk Management council-wide and to review the Corporate Risk Register. This group includes the Executive Directors and ensures that Risk is given prominence by CMT.
- 3.4 Risk CR1 on 'Managing the Financial Environment' now has an increased residual risk score, rising from 20 to 25 (this is the highest risk scoring the Council has reported hitherto), due to the very significant external pressures the Council is facing, including rising utility and energy costs, an increasing and significant range of external and inflationary cost and demand pressures, significant increased cost of borrowing and consequences of national pay awards.
- 3.5 Risk CR2 on Maintenance of Assets now has an increased current score, increasing from 20 to 25 and an increased residual score, from 16 to 20, due to identification of RACC / Siporex issues in key operational buildings and subsequent costs.
- 3.6 Risk CR11, The Impact of the National Care Service on East Lothian Council has seen its current score reduce from 20 to 15 and the residual score from 20 to 12 due to recent announcements from Scottish Government.
- 3.7 Risk CR15, Communicable Disease Outbreaks of Public Health Significance, has also seen a reduction in current score from 12 to 9 and residual from 9 to 6 due to their being no significant national covid-related public health alerts now the vaccine has been fully rolled out.
- 3.8 The Council remains in emergency response with business continuity plans invoked within nine council services at the time of this report which are Facilities, Estates, Legal, Housing, Waste, Finance, Children's Services

(Support & Intervention), Engineering Services and Sport, Countryside & Leisure (Forestry Team). These services' Business Continuity Plans are invoked predominantly in response to staffing pressure arising from a very challenged employment market and limited volume and calibre of response to recruitment campaigns. Activation of Business Continuity Plans for these services results in the available staffing resource being deployed to deliver 'business critical' activities as priority.

- 3.9 Council can be reassured that CMT, it's Sub-Group, the Corporate Risk Management Group and it's Linking Risks Sub-Group, continue to closely monitor all Corporate Risks. Management of our risk environment is informed by global and national risks, via the annual Global Risk Report produced by the World Economic Forum in January each year, by the Scottish Government's National Risk Assessment (NRA) and the UK National Risk Register which are produced annually. Every effort is made to ensure that the Corporate Risk Register reflects current and future risks with appropriate mitigations in place.
- 3.10 The Council's Corporate Risk Strategy is reviewed annually and was reported to Cabinet on 14 March 2023.

4 POLICY IMPLICATIONS

- 4.1 In approving this report, the Council will be ensuring that risk management principles, as detailed in the Corporate Risk Management Strategy, are embedded across the Council.

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 financial impact of the corporate risks and mitigation measures remain under close monitoring and review, aligned with the Council's Financial Strategy. Any unplanned and unbudgeted costs that arise in relation to any of the corporate risks identified will be subject to review by the Council Management Team, and if required will be reported to Council.
- 6.2 Personnel – There are no immediate implications impacting on the administration and oversight of the Corporate Risk Strategy and Framework.
- 6.3 Other – Effective implementation of this register will require the support and commitment of the risk owners identified within the register.

7 BACKGROUND PAPERS

7.1 Appendix 1 – Corporate Risk Register 2023-24 v2

AUTHOR'S NAME	Scott Kennedy
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DATE	14 August 2023

Risk Ref.	Risk Category	Risk Description	Existing Risk Control Measures	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Timescale for Completion / Review Frequency	Evidence held of Regular Review	
				Likelihood	Impact	Total		Likelihood	Impact	Total			
				L	I	L x I		L	I	L x I			
		<p>protection schemes given the on-going national review of the flooding resources.</p> <ul style="list-style-type: none"> New financial risks posed through the identification of RACC/Siporex and subsequent costs from the implications in respect of management, remediation and or total loss of assets. <ul style="list-style-type: none"> There remains on-going uncertainty relating to the proposed national capital accounting review, which could result in changes in accounting for capital infrastructure and could result in significantly increased cost to local taxpayers. This national review has been delayed by 12 months; <p>The Council is operating in an extremely challenging financial environment, and is current forecasting an in year 2023/24 overspend of £14.6m. The Council's minimum level of reserves is currently £7.2m. If this level materialises this will require reserves which have previously been earmarked for a specific purpose by Council to be redirected in order to offset the overspend, and will adversely impact on the delivery of strategy and operational activities which rely on funding from these reserves.</p> <p>There remain enhanced risks relating to the ability for the IJB to meet the planned savings aligned to delegated Council budgets and wider demand. Should this materialise and the IJB remain unable to meet the wider savings gap, this will result in an additional financial pressure for the Council.</p> <p>The Council's approved budget for 2023/24 is supported by a requirement to deliver £6.7m planned efficiencies. Currently £0.475m is forecast as undeliverable. There remains an increased risk that the Council will not be able to deliver planned efficiencies and this will place further increased pressure on on-going financial sustainability</p> <p>The projected medium term funding gap facing the Council over the next 5 years is £71 million. Whilst the Council has set a balanced budget for 2023/24, and has identified further planned savings of £9.6m, very significant additional savings proposals will need to be developed to address the scale of this funding gap.</p> <p>Given the enhanced range of financial pressures, wider risks and challenges, there remains a significant risk that the Council will not be able to support and meet these collective pressures alongside delivering policy and legislative obligations within current and future available resources.</p>	<p>than Cabinet for wider scrutiny setting out the in-year financial performance against approved budgets.</p> <p>The Charging Policy has been refreshed and agreed by Cabinet, and supports the recovery of costs associated with the delivery of council services where the council has discretion to charge.</p> <p>Officers continue to engage in national discussions with COSLA, wider professional bodies such as CIPFA Directors of Finance and also wider professional commentators, and professional advisers to consider the financial sustainability of Local Government and associated challenges.</p> <p>On-going engagement with Treasury advisers with annual treasury indicators approved as part of Treasury Strategy and mid-year review against indicators reported through political governance structures of A&G Committee.</p> <p>On-going discussions with the IJB Chief Financial Officer and Chief Officer around the delivery of current planned efficiencies and future resource requirements aligned to on-going strategic financial planning.</p>										
CR 2	Financial	<p>Maintenance of Assets</p> <p>Risk of insufficient staffing and financial resource to carry out repairs and maintenance programmes to ensure buildings are maintained in a good condition. Core Facts returns to The Scottish Government confirm that this is a risk, which requires to be addressed.</p>	<p>Annual update of programme of works based on Condition, Suitability and Statutory Compliance assessments to inform budget requirement.</p> <p>Building Surveyor now in post who will be working on accuracy of Asset Condition information.</p>	5	5	25	72	<p>Ensure Condition and other data is maintained up to date to inform the planned delivery of works required to ensure buildings comply with statutory and legal requirements and are maintained in a good condition. Identification of survey information currently required is ongoing.</p>	4	5	20	<p>All measures are ongoing and under constant review as to when they will be in place by.</p>	<p>Risk reviewed by Head of Infrastructure, June 2023 and scores increased from 20 and 16 to 25 & 20 due to ongoing RACC /</p>

Risk Ref.	Risk Category	Risk Description	Existing Risk Control Measures	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Timescale for Completion / Review Frequency	Evidence held of Regular Review
				Likelihood	Impact	Total		Likelihood	Impact	Total		
				L	I	L x I		L	I	L x I		
		<p>A budgeted, programmed plan of work is required for all existing property assets to confirm how these will be improved from Condition C/D to B or maintained as Condition A/B for their lifetime. Significant additional financial and staff resource is required to achieve this.</p> <p>Failure to carry out repairs and maintenance programmes could result in unavailability of buildings e.g. school closure and reputational damage to the Council.</p> <p>Repairs and maintenance cost pressures and adoption of new facilities e.g. school extensions mean a real term reduction in resource and availability. This could ultimately result in a failure of building elements with the risk of closure or enforcement by Statutory or Regulatory authorities.</p> <p>Failure to carry our repairs and maintenance programmes could result in injury/loss of life of public building users and legal action against the Council. There is also a high risk to health and safety and of reputational damage.</p> <p>The risks posed through the identification of RACC/Siporex and subsequent costs from the implications in respect of management, remediation and or total loss of assets.</p> <p>Fabric issues in property assets are now having serious operational and reputational consequences – Loch Centre, Brunton Hall, Preston Lodge High School are the major ones, but there are others impacting to a lesser extent.</p> <p>Reinforced Autoclaved Aerated Concrete (RAAC)</p> <p>The Local Government Association (LGA) has recently issued advice/warnings about Reinforced Autoclaved Aerated Concrete (RAAC), which is also known as Siporex. This material has been commonly used in Public Buildings between the 1960's and late 1980's.</p> <p>Due to the relative lightweight nature of the material and limited durability there has been a number of roof failures in the past and as a result East Lothian Council require to determine the extent and location of RAAC (Siporex) to our Public Buildings and then ensure a robust inspection process is undertaken to determine its condition, level of risk and undertake any action deemed necessary to mitigate the risk to occupants and members of the public and to avoid any catastrophic failure.</p> <p>Use of part of buildings subject to inspections may be restricted or unavailable for a period of time following assessment.</p>	<p>Team Manager – Property Asset Review now in place whose main function will be to look for opportunities to repurpose, dispose of, or rationalise assets. The Manager will also continue to look for opportunities to co-locate and share facilities to reduce the number of assets held by the Council.</p> <p>This work has been focused on the office rationalisation to date. A Project Initiation Document has been approved by the Executive Team and Asset Project Board, to progress a Place-Making Property Asset Review. Recruitment to two other posts in the Property Asset Review team was successful and officers are in post</p> <p>Reports to the Corporate Asset Group will highlight risks, which identify impact on the operation or safety of the assets to enable planned action to be considered and implemented.</p> <p>SFT SG revenue funding on new build schools.</p> <p>Ongoing review and update of programme of works based on Condition, Suitability and Statutory Compliance assessments to inform budget requirement.</p> <p>Management and survey work to identify RACC/Siporex.</p> <p>A Desktop Assessment has been carried out involving:</p> <ul style="list-style-type: none"> Liaison with Officers to ascertain if they are aware of RAAC being present within any Public Building Assets. An initial review of ELC Asset Register to identify Buildings/Extensions constructed between the 1960's and the late 1980's when RAAC was widely used. Buildings/Extensions constructed outwith this period can be excluded from a further assessment. Where As Built Drawings are available, these have been assessed to identify if RAAC has been specified. Information has been obtained from the Asset Register, Health & Safety Files, As Built Drawings, Microfiche Drawings & Condition Surveys. <p>Visual inspections are being undertaken to determine the location/condition of RAAC within Building Assets and where desktop Assessment identifies the possible presence of RAAC, an inspection will be carried out by a Building Surveyor / Structural Engineer.</p> <p>Areas where further investigation is required or where there is any indication of risk to users of a building have been isolated and removed from use pending consideration of remedial works required.</p> <p>Procurement for a Structural Engineer to investigate RAAC issues has been completed and site inspections currently underway.</p>				<p>Surveys of RAAC elements is ongoing. Significant issues have been identified in several buildings with options appraisals being progressed to inform decision-making regarding remedial works. This is causing major disruption to service delivery.</p> <p>Looking at Lifecycle Costing as part of project/business plan and review on a project basis for future capital bids and budget setting.</p> <p>The service continues to regularly evaluate the current situation as regards material availability and works to mitigate any adverse effects of cancelled or delayed orders for this year's major summer works programme.</p> <p>Review and identify staffing resource required within SACPM, Education and Engineering Services. Service review ongoing.</p> <p>Comprehensive Learning Estate Review programme underway with pre-consultation about to commence. Delivery and implementation programme to be directly linked to school condition and suitability. This will be supplemented by a report to PPRC in relation to this risk for other assets.</p> <p>There is insufficient budget for the scope of work required. The Property Renewals Budget (circa £2m/annum) does not cover the maintenance required for the operational estate and will severely limit improvements. The budget for the non-operational portfolio (circa £130/annum) is insufficient for maintenance and will severely limit improvements.</p> <p>Assess property estate against Scottish Government targets to address Climate Change. Plan programme of works to improve performance of buildings. A high level assessment, based on recent case study information prepared by City Of Edinburgh Council, has been carried out and the cost to achieve 'Net Zero' targets has been estimated as between £850million and £1billion for the Council property estate,</p> <p>Identification and management of assets affected by RACC and Siporex with option appraisals to identify remediation and or demolition and future provision.</p> <p>Surveys are well advanced and continuing and have already identified remedial works, some of which have been instructed.</p>				<p>Siporex issues and subsequent costs.</p> <p>Risk reviewed by Head of Infrastructure, April 2023 with risks posed through the identification of RACC/Siporex and subsequent costs added. Risk also moved to Corporate Risk Register due to heightened issue. Current risk score increased from 16 to 20 and residual score from 12 to 16.</p>	

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		<p>Legislative change regarding local connection came into force on 29th November and requires the Council to accept rehousing responsibility for additional homeless cases and future changes to discretion around intentionality and change in focus to deliberate manipulation of the system will place additional pressure on the Council in respect of accepting intentionally homeless cases and associated accommodation duties.</p> <p>Continued levels of low stock turnover results in limited lets available and longer average time spent in temporary accommodation. Scottish Housing Regulator has noted this.</p> <p>There is a higher financial cost burden for the general services budget due to increased costs as a result of a retendering exercise as well as increasing demand for temporary accommodation, which is likely to increase further in light of anticipated legislative change.</p> <p>Ongoing breaches of the Unsuitable Accommodation Order due to a shortage of 'suitable' temporary accommodation, with extension of the Order commencing October 2021 and subsequent daily breaches.</p> <p>Enforceable temporary accommodation standards framework to be implemented from 2021/22, which further reduces the existing portfolio of 'suitable' accommodation.</p> <p>Proposed changes to Homelessness Code of Guidance / new prevention duty pose further risk to existing practice / Homelessness Operations Policy. Implementation will result in increased referrals and a percentage increase in homeless assessments.</p> <p>Reduced supply of private lets due to landlords' ongoing concerns re new Private Residential Tenancy, legislative change (energy efficiency and repairing standard), welfare reform impacts and cost of living increase.</p> <p>Requirement to prioritise sisted eviction cases upon opening of Sheriff Court. This could also result in additional costs for increased temporary accommodation.</p> <p>Potential increase in service demand due to poverty and relationship breakdown associated with cost of living crisis are likely to add pressure to the homeless team both in terms of staff and accommodation. Also likely to result in an increase in cost for temp accommodation</p> <p>Uncertainty over future funding of supported housing (DWP) and proposed changes in respect of restructuring the financing of temporary accommodation.</p>	<p>Cabinet approval of allocations targets to general needs / homeless applicants. Performance to targets kept under ongoing review. Cabinet approval of Allocations Policy Review.</p> <p>Open Market Acquisitions increase supply prioritising the western part of the county, where demand is highest.</p> <p>Housing First protocol in place and placements ongoing.</p> <p>Significant work complete re policies and procedures to increase flow through the rent deposit scheme.</p> <p>Audit of existing accommodation undertaken in advance of extension to unsuitable accommodation order.</p> <p>Refreshed performance monitoring framework in place to enable improved ongoing monitoring of key aspects of service.</p> <p>Fortnightly monitoring of voids performance to ensure turnaround times are kept to a minimum.</p> <p>The Council Leader has written to the Minister noting the challenges around meeting our ambitions to deliver on our RRTP as a result of both recent and planned legislative changes, the impact of Ukraine and other Resettlement schemes and the risk that if interventions don't happen timeously the adverse impacts on our local housing system are significant.</p> <p>Housing Options team provide housing options advice to all clients and try to mitigate situations of eviction and discuss housing options to assist others. Government's Mortgage to Rent Scheme is available</p>	75		<p>Housing Options Training Toolkit to be rolled out during 2022/23, to improve homelessness prevention and complement new Prevention Duty anticipated late 2023/24.</p> <p>Exploration of flat share / hosting models and shared tenancies ongoing, which could potentially make better use of existing stock.</p> <p>Revised Homelessness Operations Policy to be put in place, alongside comprehensive review of existing policies and procedures, to ensure service is operating efficiently and effectively.</p> <p>Improved partnership working with existing partners and neighbouring authorities could potentially result in new ways of working and economies of scale.</p> <p>New approach to spend to save, utilising RRTP resource allocation could result in cost savings re B&B spend.</p> <p>Continue to engage with the Scottish Government to review and monitor the impact of legislative changes and Resettlement Schemes are having on meeting RRTP ambitions to ensure any adverse impacts are addressed quickly.</p> <p>Significant work to improve void timescales could assist with improved flow through temporary / permanent accommodation. Project proposal for the clearance of the voids backlog in train.</p> <p>Consideration of business case/options appraisal in respect of alternative forms of accommodation in response to forthcoming legislative change.</p> <p>A new LHS is being drafted which will set out the challenges and actions for the next 5 years.</p> <p>A follow up letter has been sent to the new Housing Minister with a meeting arranged for August for further discussion and engagement asking for assistance to help alleviate some of these Housing Pressures.</p> <p>Ongoing review to convert tenancies to enable RRTP targets re reduction in temporary accommodation to be met.</p> <p>Increased focus on homelessness prevention for vulnerable groups, via transformation of Prevention / Response Teams.</p>	<p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>October 2023</p> <p>December 2023</p> <p>April 2024</p> <p>December 2023</p> <p>December 2023</p>	<p>October 2022 with residual score increased from 16 to 20.</p>				

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		<p>These challenges have had significant impacts on construction, including:</p> <ul style="list-style-type: none"> • Massive increase in demand is resulting in shortages on key products and placing strain on labour availability. • During the pandemic manufacturing facilities were closed and the world's distribution network was impacted and is still recovering. • Although there is now a trade agreement, the borders and customs, processes add administration, time and cost. • Materials suppliers, main contractors and major UK projects (e.g. HS2) have stockpiled or bulk secured manufacturing and supply slots. • High percentage increases in the cost of particular materials e.g. copper, steel, timber, concrete. • The lead-in times for delivery of materials have increased. • Shortages in components e.g. for mechanical, electrical and IT. In particular networking and specialised IT equipment, which can take up to 12 weeks to be delivered. • The war has impacted on Ukrainian steel production. <p>The main impacts are live project delays, delays to future projects, cost increases, contractors unable to submit fixed-price Tenders, higher risks for Contractors.</p> <p>The risks apply to capital and revenue-funded works for</p> <ul style="list-style-type: none"> • Property • Roads • Housebuilding generally • Affordable housing programme • Voids and relets • Maintenance and lifecycle works in the operational / non-operational and learning estate and PPP Project. • Maintenance and repairs • Domestic compliance programmes • Energy efficiency programmes • Regeneration projects (including grant funded and delivered by others/communities) • The majority of all other procurement related purchasing is being impacted <p>Risks have both financial and programme implications.</p> <p>Higher material and labour costs are not necessarily being reflected in the building cost indices (BCIS) used to vary building framework prices in line with Procurement rules. This could result in ranked framework contractors declining offers of work or tendering for future contracts.</p>	<p>The Council is aiming to pre-order and provide enhanced stock management on certain materials where appropriate.</p> <p>Regular discussions are taking place on the Capital and Revenue Investment Plans.</p> <p>Continue to apply BCIS increases, monitor acceptance of offers and continue to maintain dialogues with framework contractors.</p> <p>Continue further engagement with Scottish Government, Government Agencies and Professional bodies.</p> <p>An enhanced review and on-going monitoring of the Council's capital projects remains on-going to identify financial implications associated with the cost of construction and ensure capital investment plans remains affordable.</p>				<p>material increases project caps can be set to limit overall risk to the Council.</p> <p>Wider review of approved Capital Plan and prioritisation – to ensure programme remains affordable and focussed on critical priorities.</p> <p>Enhanced contract management processes to drive efficiency and value.</p>					
		<p>Brexit / Labour Market Impacts & Replacement EU Funding</p> <p>The end of European funding streams places service provision (business support and employability) at risk.</p>	<p>UK Government have established the shared Prosperity Fund prospectus to replace previous EU funding arrangements. The council approved a Local Implementation Plan (LIP) for year 1 investment arrangements and awaits UK Government response.</p>	77			<p>ELC considered the LIP submission to UK Government for years 2 & 3 in February 2023. Work is ongoing to further develop regional interventions particularly in year 3.</p>					

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		<p>The labour market post-Brexit presents substantial challenge in terms of labour availability. This is particularly evident across key sectors:</p> <ul style="list-style-type: none"> • Tourism & Hospitality • Farming & Agriculture • Facilities Management • Care • Transportation 	<p>The Connected Economy Group (CEG) continues to take a partnership approach to assessment of Brexit related impacts providing connected support and advice to business and ensuring as far as possible aligned collegiate understanding in a continually challenging and dynamic environment. Employability partners including Skills Development Scotland (SDS) and DWP are working in partnership with East Lothian Works and employers to address challenges.</p>									
		<p>Rising Energy Costs</p> <p>Volatility in energy markets will result in significantly higher energy costs for the foreseeable future. Increasing rates will impact on the cost to operate buildings, street lighting provision, third party users of services, electric vehicle charging rates etc. Rising energy costs will indirectly impact the cost of other goods and services e.g. materials, consumables, transportation.</p> <p>There is a risk that electricity, gas, and unregulated fuels (heating oil, LPG, and biomass etc.) rates could increase further in 2023/24.</p> <p>On 26/06/23, Scottish Government informed LAs of their intention to introduce a Management Charge to selected Procurement Frameworks: Electricity and Water & Waste Water Frameworks from April 2024 and Gas from April 2025. The Management Charge for Electricity and Gas will be based on a nominal charge applied to each meter used and the charge rate set will depend on meter type. This approach also mirrors current Industry Practice.</p>	<p>Electricity, gas and oil is procured through Scottish Procurement. The rates for 2022/2023 will rise significantly however Scottish Procurements purchasing strategy provided some protection throughout the volatility.</p> <p><i>It is anticipated that Suppliers will pick up the new management charges on the frameworks. However, this will, likely be, passed on to LAs.</i></p> <p>The Council's Energy Transformation Board seeks to improve energy efficiency and energy supply from renewable sources reducing reliance on fossil fuels.</p> <p>Energy Transformation Project Board have appointed an advisory partner to advance market development of solar, wind, gas hybrid and hydrogen opportunities.</p> <p>Some additional funding has been reflected in 2023/24 approved budget with the expectation that energy costs will continue to fall in future years.</p> <p>The Council has approved a number of existing mitigation measures aimed at controlling existing cost pressures including the need to ensure the temperature in all public buildings is maintained at 18 degrees maximum.</p> <p>Engagement through professional networks to support national discussions on wider market conditions and supporting interventions.</p> <p>Energy controls and thermostats are being used to reduce temperatures across the estate monitored to weather patterns and the Asset team are mothballing and reducing property use and portfolio where possible.</p> <p>The UK Government has introduced temporary arrangements to place price caps on energy supply costs for consumers and introduced and the Energy Bill Relief Scheme for businesses, although these remain under review.</p> <p>Community Windpower has made a £1m donation to East Lothian to support local people with energy costs and the cost of living over the winter, to 31 March 2023. The Council operated as a 'trusted partner' of the scheme being run through Advice Direct, submitting applications on behalf of clients in receipt of benefits or otherwise in financial hardship. The</p>									

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			scheme paid up to £1,200 per eligible household to 3 March 2023.									
		<p>Increased Financial Hardship</p> <p>The financial implications from COVID and subsequent concurrent economic volatility has continued to impact on the financial position of local business, local households and the Council</p> <p>Low income households spend a larger proportion than average on energy, food and interest payments and will therefore be relatively more affected by increases in prices.</p> <p>Businesses are being significantly impacted by cost base rises including energy costs, and staff shortages (often attributed to EU exit), putting pressure on margins and viability, as well as pushing up the prices charged to consumers and the availability of some goods and services.</p> <p>These factors continue to increase pressure on Council services in respect of welfare / poverty, employability, and business support.</p> <p>The council's 2022/23 budget included funding from the Local Authority Economic Recovery (LACER) Fund to provide support to low income households, as well as a one-off contribution from reserves to support low income households. No equivalent funding has been made available through the 2023/24 budget, meaning that the council's capacity to support residents experiencing financial hardship has reduced.</p>	<p>Support for Residents</p> <p>Some welfare benefits have changed in response to this in order to help alleviate financial hardship, and some additional national funding has been made available to support those in need.</p> <p>All teams are continuing to provide support and advice for EL residents and businesses struggling financially at this time and are continuing to encourage those who can continue to pay to do so.</p> <p>The Revenues Service has developed a new leaflet 'Helping with the cost of living crisis', which is being widely publicised by all Revenues teams and other Council services to make sure that details of the help and support available is well communicated to local residents.</p> <p>Support for Businesses</p> <p>The Connected Economy Group (CEG) continues to take a partnership approach to assessment and monitoring of energy related costs to business and makes representation to UK and Scottish Governments in the context of temporary and medium term mitigation measures as well as providing connected support and advice to business and ensuring as far as possible aligned collegiate understanding in a continually challenging and dynamic environment.</p>									
ELC CR 5	Capacity	<p>Workforce Challenges</p> <p>Maintaining a stable and skilled workforce is essential to efficient, effective and safe delivery of services.</p> <p>Reduction in skilled, qualified and experienced workforce would result in an inability to provide good quality services, increased pressure on existing staff and increased likelihood of poor operational performance e.g. operating below required regulatory standards, potential harm to employees and / or the public and reputational damage.</p> <p>Pressures in the recruitment market are compounded by reductions in staff attendance due to sickness absence, maternity leave and annual leave – placing additional pressure on the remaining 'at work' workforce. Post-COVID-19 response, some of the Council's workforce are experiencing mental health issues, lowered resilience and fatigue.</p> <p>The recruitment market is challenging due to low levels of unemployment locally and a lack of specialist professional and technical within the market, exacerbated by Brexit related workforce supply issues within key sectors e.g. Facilities Management and Hospitality.</p>	<p>The 2023-2027 Workforce Plan was approved by Cabinet (Jan 2023). The 2023-2027 Workforce Plan actions are being implemented.</p> <p>A recruitment task group has been established (August 2022) with representatives from key services and an action plan drawn up with various options being explored by HR and services.</p> <p>The HR service in conjunction with Corporate Communications are reviewing community based advertising methodologies e.g. poster campaigns, pro-active social media campaigns and recruitment fairs. A number of school career events in the diary over Autumn/Winter 2022.</p> <p>Regular assessment of staffing capacity within services enables redeployment of available resources to maintain frontline service delivery, reducing service provision when essential in non-statutory services.</p> <p>Staff have opportunity to work additional hours and overtime when appropriate to service needs.</p> <p>Essential vacancies are advertised within the approved Recruitment & Selection Policy processes.</p>	5	4	20	<p>Employee Engagement Survey 2023 conducted, results analysed and action plans are in development by services. There is also a corporate action plan which will be integrated into the Workforce Plan and actions will be monitored through the Workforce Plan Action Plan.</p>	5	3	15	October 2023	<p>Risk updated July 2023 by Service Manager – Improvement, Policy & Communications with no change to risk scores.</p> <p>Risk Refreshed November 2022 by CMT – amalgamating previous CR6, CR 15 and CR 18 – composing one 'workforce challenges' risk.</p> <p>Risk refreshed November 2022 by CMT Sub-Group on Corporate Risks with current score increased from 16 to 20 and residual from 12 to 15 given number of</p>

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		<p>The Council's salary and grading structure for the Local Government Employee Group may not be competitive compared to other employers making it more difficult to recruit qualified staff to a wide range of posts. Attractive employment opportunities in other sectors risks staff migrating out of Council service into less stressful, often better paid, employment, where terms and conditions of employment can be negotiated.</p> <p>These pressures have resulted in a reduced ability to provide the full range of services to the public and impact on the Council's ability to provide internal support services e.g. Legal services. Reflecting these workforce risks, the following services are currently operating under Business Continuity Plans:</p> <ul style="list-style-type: none"> • Facilities Management • Estates • Children's Services - Support & Intervention • Waste Services – Garden Waste • Housing Options Team • Legal • Forestry Squad • Finance • Engineering Services <p>Failure to preserve business critical activities within these services could lead to increased risks in respect of 'life and limb' services, finance and severe reputational damage to the Council.</p> <p>Certain services such as FM, Garden Waste, Housing Options and Children's Services are likely to remain within Business Continuity arrangements for some time due to absence and recruitment challenges.</p> <p>Insufficient staff can also lead to an inability to open facilities, or to reducing opening hours/days, impacting on local service access and reducing community programmes of activity.</p> <p>A lack of cross-service staff capacity to meet emergency response requirements and any other concurrent risks e.g. winter weather emergency, refugee response, avian flu outbreak, ash dieback et al., would increase risks to public safety, bringing reputational damage to the Council.</p> <p>The Council recognises that a large proportion of the workforce is aged over 55 years and many staff with significant knowledge and experience could leave the Council leaving the Council at risk in key areas – an inability to recruit impacts on succession planning and risks key specialist roles remaining unfilled.</p> <p>The Council has a duty of care to the workforce, a breach of which may affect the health, safety and wellbeing of employees leading to increased sickness absence, pressures on service delivery and added potential for employee liability claims against the Council for incidents involving employees or non-employees or enforcement action by the Health & Safety Executive.</p>	<p>The Council has agreed the limited use of the Market Supplement Policy in difficult to recruit areas, where it can be demonstrated that the market rate makes the Council no longer competitive. (This will be considered on a case by case basis).</p> <p>Agency staffing is utilised within Agency procurement frameworks in extremis to meet service needs.</p> <p>Developing graduate intern opportunities to meet service professional requirements.</p> <p>Managers continue to apply the Managing Attendance Policy.</p> <p>Initiatives are in place to help employees manage their own stress, including Employee Assistance Programme, Listening Ears, Healthy Working Lives</p> <p>Organisational Development and Healthy Working Lives briefings to staff and managers on techniques etc. to support staff to maintain mental health and wellbeing.</p> <p>Salary placement within the Grade in Local Government Employee recruitment relevant to candidate skill and experience, rather than always on 1st point of the scale.</p> <p>Service Reviews involve inputs from HR and Finance to ensure appropriate role and grading definitions within the service and broader corporate context.</p> <p>Efficient deployment of Disclosure Scotland checks.</p> <p>Review of recruitment options, online and face to face, in progress.</p> <p>Induction programmes for new employees have been updated.</p> <p>CMT operate a Business Continuity Plan and maintain up-to-date training in Emergency Planning and Response.</p> <p>Business Continuity Plans activated as necessary, reducing scope and scale of service delivery to focus existing resource on business critical and statutory functions. As an example Garden Waste collections which are non-statutory will remain on a monthly cycle to protect statutory services.</p> <p>Contingency planning and identification of non-business critical activities and staff who may be trained to deploy to essential activities when required; including consideration of closing service areas if required.</p> <p>Support is provided by Amenity services to supplement the winter emergency response team. Provision of LGV licence training to increase capacity amongst drivers within services e.g. to drive gritters.</p>								services in BC mode.	
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		<p>Areas which have been identified as posing a particularly high level of risk to the workforce are:</p> <ul style="list-style-type: none"> • Manual Handling • Stress / Mental wellbeing • Lone Working • Unacceptable Behaviour • Risks from Public Monuments • Safe Driving at work • School Trips 	<p>Service planning and mitigations, public information issued.</p> <p>Emergency Response debriefs are carried out e.g. most recently into Storm Arwen noting lessons learned and promptly implementing subsequent actions.</p> <p>Service planning and mitigations, public information issued.</p> <p>Investment in apprenticeships, Graduate Trainee opportunities and targeted recruitment e.g. With schools, colleges and universities.</p> <p>Refresh of Flexible working Policies - Homeworking and Worksmart - maximising work options for LGE staff.</p> <p>Health, Safety and Wellbeing Strategy 2018 – 2021 in place.</p> <p>All employees receive corporate and service appropriate induction including Health & Safety.</p> <p>All staff have job outlines and follow the PRD process ensuring all are role-capable and trained to perform safely in their roles.</p> <p>The Joint Health & Safety Committee and Joint Consultative Committee oversee joint health and safety arrangements for all staff.</p> <p>Management Arrangements in place outlining the responsibilities of each level of management and employees. A rolling programme of audit and inspection of management arrangements is being undertaken, covering:</p> <p>Manual Handling Stress Lone Working Safe Driving at Work Fire Safety School Trips</p> <p>Risk assessments carried out to identify significant workplace hazards and to establish suitable workplace controls e.g. safe systems of work. Any necessary training and health surveillance requirements are identified. Health Surveillance is carried out on employees where they are exposed to specific hazards.</p> <p>Health and Safety Training needs are identified from project plans and Risk Assessment findings. An annual programme of training is delivered.</p> <p>Linking-Risks Sub-Group to the Corporate Risk Management Group Management Meetings ensures effective risk management oversight between Health & Safety Service, Insurance Service, Information Governance Services and Internal Audit Service to ensure cohesive oversight of risks associated to staff and public duty of care – reporting to the Corporate</p>				<p>Review and broaden-out leadership resilience and service capacity within all ELC Contingency Plans.</p> <p>Protective Services Service Review underway, taking account of H&S duties and capacity, intent on supporting refreshed programme of review of management arrangements, inspections and audits.</p> <p>Refresh Guidance for Head of Establishment role.</p> <p>Update Management Arrangements:</p> <ul style="list-style-type: none"> • Legionella Management • Fire Safety • First Aid 				April 2024	

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			Risk management Group, Chaired by Head of Communities.									
ELC CR 6	Reputational	<p>Information Security and Data Protection</p> <p>Heightened Risk Due to War in Ukraine Due to the current conflict in Ukraine, there is a heightened risk of Nation State led cyber-attacks on the West. These could potentially affect National Infrastructure such as data and voice networks, which could have an impact on East Lothian Council.</p> <p>Increasing Number of Cyber Attacks on Suppliers The number of cyber-attacks on suppliers to Local and Central Government has increased significantly in recent months.</p> <p>Information Security Failure to have comprehensive council wide Information Security Management (ISM) measures in place will put at risk the availability, integrity and confidentiality of the councils information and may cause a Council wide failure of central IT systems (incl. Telephony) caused by a malicious attack by hackers, virus, trojan, disclosure of information or Fire/Flood event.</p> <p>Attacks via spam emails containing infected ransomware attachments continue to be high. Should these emails manage to break through Firewalls and Intrusion Detection Systems there is a high possibility of file encryption at both a local and network wide levels. During 2020/21 high profile attacks against supply chain and other Scottish public bodies has shown this risk has not decreased.</p> <p>An increase in the use of Cloud facilities and our dependence on suppliers having remote access to our networks means our security risk from external influences has increased and our security posture needs to change to meet these new challenges</p> <p>The Cabinet Office introduced a zero tolerance approach for all LA's connected to the Public Sector Network (PSN). Scottish LA's use the PSN to register Births, Marriages & Deaths and connection to DWP for benefit provision. We have to re-accredit to this network every year and must meet stringent requirements. Failure to do so would mean disconnection from the PSN.</p> <p>In 2017 the Scottish Government introduced the Cyber - Public Sector Action Plan which sets out the minimum security standards for all public bodies</p> <p>New ways of working and shared buildings including the proposed Collaborative Hub between the Council, Police and other parties present new risks and challenges to maintaining IT Security and Data Privacy. Procedures, appropriate design of workspaces and staff training are needed to mitigate risks.</p> <p>Data Protection</p>	<p>Risk management Group, Chaired by Head of Communities.</p> <p>Continue to follow advice and guidance from the National Cyber Security Centre, UK and Scottish Governments and Local Government Digital Office and react accordingly.</p> <p>Information Security The Council complies with the international standard ISO 27001:2017 as the framework for its ISM system.</p> <p>As part ISO27001:2017 a number of control areas are set out : IS policy; IS organisation; Human resources security; Asset management; Access controls and managing user access; Physical & Environmental security of all sites/equipment, Secure communications, Data handling and Data Protection (including paper documents); Secure acquisition, development, and support of information systems; Security for suppliers and third parties; Information Security Incident management; Business continuity/disaster recovery (to the extent that it affects information security);</p> <p>Annual IT health checks on the existing infrastructure.</p> <p>New systems introduced are risk assessed and security checked to ensure they meet the criteria.</p> <p>Council Information Governance and Security (IGS) Forum co-hosted by the IT Team Manager – Infrastructure and Security and the Team Manager – Information Governance / Data Protection Officer.</p> <p>The DPO/Team Manager-Information Governance & Team Manager – Infrastructure & Security (CISO) are members of the Collaborative Hub Working Group and the JMH User Group and provide advice and support re: compliance & Info Security.</p> <p>A new Information Security/DP Awareness Campaign was launched in Dec 21, which sends scheduled 'hot topic' awareness updates to employees.</p> <p>Acceptable use policy for all ELC employees has been refreshed and is now live following consultation. All employees will be expected to read, re-sign and adhere to the policy to keep themselves and the Council safe.</p>	5	4	20	<p>Information Security Upgrade of external facing systems taking place to increase security of our internet facing gateways. Due to increased use of cloud systems at ELC, we need to review our security posture & systems to ensure we are covering this area. We are reviewing all security systems to ensure protection.</p>	3	4	12	Ongoing	<p>Risk refreshed July 2023 by Service manager – IT and Team Manager, Information Governance with no change to risk scores.</p> <p>Risk updated March 2022 by Team Managers – IT Security and Information Governance with current risk score increased from 16 to 20 due to war in Ukraine.</p>
				82			Data Protection			June 2024		

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				L	I	L x I		L	I	L x I		
		<p>Under the Data Protection Act 2018 and the UK GDPR, the Council is required to ensure that personal data is processed lawfully, fairly and securely. Breaches of the Data Protection Act / GDPR could result in:</p> <ul style="list-style-type: none"> - harm to individuals; - legal action; - fines of up to £17.5 million or 4% of turnover, whichever is higher; - requirement to pay compensation; - adverse publicity; - damage to reputation <p>The Council has a mandatory 72 hour window in which to report relevant breaches to the Information Commissioner's Office.</p> <p>Limited security, procedural and environmental controls at the Dunbar Road records store mean that records and personal data are at risk of security breach and/or accidental loss or destruction. The shift to home/digital working in response to COVID-19 has also placed additional pressures to digitise paper records management systems and ensure new ways of working remain secure.</p> <p>Requests for personal data (SARs) have increased significantly in both number and complexity (50% increase on Jan-May 2022). Increase is partially attributable to the indirect impact of the Scottish Child Abuse Inquiry and the launch of the Redress Scheme. Combined impact with staffing challenges, increase in FOI requests and disproportionate impact of a number of frequent requesters, the Council is at higher risk of missing statutory timescales for responses.</p> <p>DP compliance is dependent on good records management. The Council's Records Management Plan 2014-2019 needs to be formally updated to account for GDPR/DPA18 as well as changes to recordkeeping practice across the Council. This is also a requirement of the Public Records (Scotland) Act 2011 (PRSA).</p> <p>Current pressures on Registration service and increased demand from Services for review of Data Sharing Agreements / Data Protection Impact Assessments are impacting capacity to address Records Management.</p>	<p>The Council has a comprehensive suite of measures to ensure compliance, including the retention of a statutory Data Protection Officer (DPO), the Data Protection Policy, Data Breach Procedure and multiple procedures governing the creation, use and disposition of records and personal data.</p> <p>IS, DP and Records Management Awareness training is a mandatory part of induction and must be refreshed every two years. E-learning module content was refreshed and redesigned in May 2022. The ELNet pages for Information Governance also include templates, guidance and information to support corporate compliance.</p> <p>The Council's Records Management Plan (RMP) covers how the Council manages its records and includes links to our IS, DP policies and retention schedule. There is an annual assessment of Progress of Records Management Plan by The Keeper's office. The Council is planning formal re-submission of its RMP for the Keeper's approval (date tbc).</p> <p>The Council has a close working relationship with SOLAR (Society of Local Authority Lawyers and Administrators) and attends meetings regularly. These meetings are also attended by the Information Commissioners office. The Council also attends and currently chairs ASLAWG (Archivists of Scottish Local Authorities Working Group) to share best practice with other record keeping professionals.</p> <p><u>Records Management Plan:</u> Retention schedules and BCS have been updated in line with national models. Initial phase of Digital Preservation Plan currently underway to identify/register digital information assets, and procure baseline software/hardware. 3 departments have completed reviews of the Retention Schedule to map to their own records with support from the Information Governance Team.</p> <p>Information Asset Register: 2 workshops have been completed with Feedback and Procurement to identify data flows and risk points. This is a key compliance measure under Article 30 of the UK GDPR and the Council's Records Management Plan.</p> <p><u>DSA/DPIA Process Reviews:</u> DSA and DPIA processes have been reviewed and simplified.</p> <p><u>Dunbar Road Options Paper:</u> CMT has approved proposals to contract out paper document management services, including records storage, retrievals, metadata management, scan-on-demand and secure destructions.</p> <p><u>Information Strategy</u> Work continues to implement Microsoft 365 across corporate Council Services; consultant workshops have now been completed and migration of email to Microsoft Exchange near completion with new 5-year retention rule applied going forward.</p>				<p>Training & awareness: The DPO, Team Manager- IT Infrastructure & Security and Communications teams are progressing a Communications Plan including Inform briefings, e-mail updates and other training and briefings to reinforce awareness of data protection and information security across the Council; currently limited by capacity within Information Governance team but expected to be progressed following recruitment to new Team Lead-Information Governance post, for which a preferred candidate will commence work on 31/07/2023.</p> <p><u>Information Transformation Strategy:</u> the Team Manager-Information Governance and Team Manager-IT Infrastructure & Security are drafting an Information Transformation Strategy and associated Action Plan to underpin the Digital Strategy and Business Transformation agendas and 'to ensure the right information gets to the right person, at the right time, and in the right format'.</p> <p><u>Records Management Plan:</u> All 14 elements of the Council's RMP will be reviewed and updated, focusing particularly on secure destruction, digital preservation, application of retention schedules and changes to ways of working.</p> <p><u>DSA/DPIA Process Reviews:</u> Full roll-out of new processes to be completed following recruitment of new Team Lead-Information Governance (start date 31 July 2023).</p> <p><u>Paper document management:</u> Procurement exercise to identify best value for document management services for all paper records. Existing contract has been extended with supplier Oasis by six months to allow for completion amidst other service pressures.</p>				<p>Ongoing</p> <p>Ongoing</p> <p>October 2023</p> <p>March 2024</p>	

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				L	I	L x I		L	I	L x I		
			Data Protection/Records Management training delivered as needed to Asset Review Champions.									
ELC CR 7	Physical and/or Psychological Impact on People Legal & Regulatory	<p>Refugee/Asylum Schemes</p> <p>Both the UK and Scottish Government have responded to the Ukrainian humanitarian crisis by introducing refugee schemes that are largely required to be administered by local authorities. These schemes are broader in scope and of a significantly greater scale than existing refugee schemes. Consequently, this means greater demands placed on Council services (including service areas not previously involved) in administering the schemes, supporting hosts and refugees as well as placing additional demand on schools and Health and Social Care services. There is also a potential role for the third sector, which requires careful thought and development.</p> <p>Current challenges include, but are not limited to:</p> <ul style="list-style-type: none"> Complexity and variation between four different schemes (Homes for Ukraine (H4U), Scottish Super Sponsor & Family Visa & H4U Extension Scheme (UES)) Constant changing and revision of national guidance, which continues to evolve through ongoing discussion between SG, COSLA, Home Office and local authorities Being clear on different funding arrangements, scope and operational deployment Being clear on extent of safeguarding responsibilities and wraparound support Being clear on role of third sector Understanding the scale of and resourcing the challenge in the context of existing commitments to the global refugee scheme and the Afghan schemes, and the future proposed Asylum dispersal scheme. Being clear on data protection requirements and which information can be shared between internal teams and with external partners General administration of the scheme in the medium to long-term including, but not limited to: <ul style="list-style-type: none"> Disclosure checks Property and welfare visits Wraparound support Refugee payments Host payments Interface with Education and HSC Clarity as to whether funding is adequate to cover all elements of the scheme, including potential remedial work to bring properties up to required standards Potential increased homeless and housing demand (where hosting arrangements break down or after six months) Service resource demands on all affected teams but particularly Community Housing & Homelessness 	<p>Cross-Service Oversight Group meetings in place.</p> <p>Cross-Service Working group in place. Additional resources identified within Community Housing & Homelessness (CH&H) secured to deal with administrative tasks and casework</p> <p>Additional development resource identified from CH&H to provide third sector interface, assist with improvement work, address local community issues and maximisation of resources (internal and external)</p> <p>Plans in place re of how SSSS outreach work, disclosures, payments etc. will operate</p> <p>Regular attendance at meetings with SG, Home Office and COSLA.</p> <p>ELC Website page in place.</p> <p>ELC Ukraine enquiries contact email address set up.</p> <p>Initial dedication of two-full time officers from Housing Options team to set up procedures, team interfaces, casework and administration of schemes.</p> <p>Database of hosts and families created comprising all administrative aspects (disclosures, property checks, payments, education requirements etc.).</p> <p>Ongoing case management of hosts / guests, where appropriate.</p> <p>Resource requirements of other service areas identified and in operation, including the contribution of colleagues in HR, Protective Services, Finance, Education, Customer Services, Communications Team and HSC.</p> <p>Cross-Service agreement of how Disclosure checks will be undertaken, conduct of home visits, and administration of payments have been secured and procedures in place.</p> <p>Jira safeguarding system in place.</p> <p>Children's and adult social work undertaking wellbeing assessment visits to all families.</p> <p>Privacy Statement signed off.</p> <p>Unaccompanied Asylum Seeking Children (UASC) are currently being supported by the Aftercare Team in children's services, making use of accommodation within the My Place project. Managers attend regular national meetings to ensure we understand best practice.</p>	5	4	20	<p>Internal processes and procedures to be reviewed to identify improvements</p> <p>Quantification of Scottish Super Sponsor scheme (SSS) numbers, data integrity work, background checking to be done by CH&H resource</p> <p>Quantification of future resource demands to be identified and articulated through oversight and working group meetings</p> <p>Improvement work to ensure processes and resource deployment are as effective as they can be</p> <p>Working closely with SG & COSLA to inform future iterations of Guidance for clarity and confirming with SG & COSLA colleagues that ELC cannot source social housing properties as housing pressure continues to be extreme</p> <p>Children's services is developing a host families scheme to provide accommodation and support for UASC.</p> <p>Work with ALACHO, SOLACE, COSLA and others to dissuade SG from disembarkation of refugee ships so that this can be delayed and better managed as well as look to make changes to other legislative and policy areas to ease housing and service demand pressures and to ensure future funding arrangements are adequate.</p>	4	3	12	<p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p>	<p>Risk refreshed by Service Manager July 2023 with no changes to risk scores.</p> <p>Risk created 9th May 2022 by Head of Housing.</p>

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		<ul style="list-style-type: none"> Capacity of children's and Adult Social Work services, Education and HSC to cope with increased demands Additional demands continue to emerge through extensions and variations to all the schemes – including the rise in unaccompanied minors and associated responsibilities The disembarkation (ongoing and planned for July) of the two refugee ships will create additional demand and service pressures. Implementation of the mandatory national transfer scheme means East Lothian must accept an allocation of unaccompanied asylum seeking young people set by the Home Office. Notification will be at short notice and the frequency is dependent on their rate of arrival in the UK. This mandatory allocation has been increased without consultation. This presents a significant resource challenge in terms of providing accommodation, potentially a care placement, housing and social work support. The national local crisis in fostering resources is compounding the service risk. Some refugees and asylum seekers are reluctant to settle in East Lothian, preferring to be in bigger cities. There is a likelihood of them leaving on an unplanned basis putting them at risk of exploitation. 	<p>Clarity on funding at national level, notwithstanding ongoing changes.</p> <p>Successful recruitment of two Tenancy Support Officers.</p>									
ELC CR 8	Reputation Financial	<p>Climate Emergency</p> <p>East Lothian Council has statutory duties to mitigate its emissions, adapt to climate change and act sustainably. The Scottish Government's Climate Change Act (2009) requires the Council to support the delivery of the national net zero targets and adaptation programmes.</p> <p>The risks associated with the responsibilities are:</p> <ul style="list-style-type: none"> Failure to meet our statutory duty in Scotland's Climate Change Act (2009). Lack of financial and staff resources to mitigate emissions and deliver the net zero interim target by 2030 and full target by 2045. Unknown costs of the transformational change needed to adapt to climate change impacts. Risk aversion, particularly in relation to new technologies that could support mitigation and adaptation. Reputational damage and failure in corporate social responsibility if climate action is not mainstreamed across the Council. Lack of/unclear funding and unbudgeted costs to reduce carbon emissions, e.g. for the transformational changes needed in Fleet¹ and Asset² Management. <p>The latest IPCC sixth assessment reports show that we have reached a tipping point where we will face extreme weather and climate change impacts despite efforts to mitigate greenhouse gas emissions. To cope with these risks we need to ensure that our</p>	<p>Annual reporting to the Scottish Government to track CO₂e reductions and delivery of adaptation programmes.</p> <p>Annual reporting to the Council to track actions and delivery towards ELC's Climate Change Strategy (2020-2025) to achieve net zero by 2045.</p> <p>Quarterly Cross-Party Sustainability Forum meetings to ensure tracked progress and follow up of the Council's declaration of a climate emergency.</p> <p>Quarterly Climate Change Planning and Monitoring Group meetings to ensure Council-wide commitment to the Climate Change Strategy and Action Plan.</p> <p>Bi-monthly Energy Transformation Board meetings, to deliver a Local Heat & Energy Efficiency Strategy for the county, improve innovation and energy supply from renewable sources while generating income from installing low carbon technologies across the Council's estate.</p> <p>The Council's COVID Recovery and Renewable Framework, in which a Green Recovery from COVID is a key principle.</p> <p>To address the climate change risks, the Council collaborates with:</p> <ul style="list-style-type: none"> Sustainable Scotland Network (SSN) and the Scottish Government, guiding public authorities to implement the National Climate Change Plan Update (Dec 2020). 	4	4	16	<p>Identify budget and funding streams to continue delivering transformational change to Fleet and Asset Management (e.g. staff resources to chase funding opportunities and support services to access them).</p> <p>Secure the tools, powers and resources to enable the delivery of a 'Net Zero Council'.</p> <p>Identify interim emission reduction targets across Council Services and implement a monitoring & evaluation framework in response to this.</p> <p>Engage East Lothian Partnership to include carbon emissions reduction targets in review and update of the East Lothian Plan. Work has commenced with Strategic Assessment Workshops and the internal Community Wealth Building Working Group.</p> <p>Re-engage with the Resilient Communities initiative, to prepare East Lothian residents for emergencies and severe weather events. Progress made: internal adaptation workshop held, community workshop with East Lothian Climate Action Network planned.</p>	3	4	12	<p>Ongoing with annual review</p> <p>2025 - annual review</p> <p>Ongoing with annual review</p> <p>August 2023</p> <p>October 2023</p>	<p>Risk refreshed May 2023 by Sustainability and Climate Change Officer with no change to risk scores.</p>

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		<p>adaptation efforts are as ambitious as our mitigation actions.</p> <p>The Council are making progress on the Climate Emergency risks. However, there is an urgent need to secure the funding, resources, tools and powers to enable us to deliver net zero. Until then, our capability of transformational change to reduce these risks is uncertain.</p> <p>¹Fleet Management: We need to replace public sector fleet vehicles with ULEV by 2025. However, funding from the Scottish Government is limited and focused on smaller vehicles. Shifting ELC's heavy commercial fleet to a UNLEV platform will require additional unbudgeted funding. Currently, the cost of an EV refuse collection vehicle is 2.5 times more expensive than a fossil-fuelled equivalent. Another cost implication is the charging infrastructure needed to support these vehicles.</p> <p>²Asset management: We anticipate the costs of transformational change for our built assets to reach net zero to be substantial. To achieve net zero, we need to ensure that capital is available (e.g. capital for asset reconfiguration, energy efficiency measures, energy generation, etc.). It is key to manage Council assets in line with the climate change agenda.</p>	<ul style="list-style-type: none"> Adaptation Scotland and SSN, ensuring consistency and collaboration between public bodies in the response to the climate emergency. Transport Scotland, funding ELC's ULEV public sector fleet objective (2025). NB, funding options are limited to be either lease of part funded purchases. Thus, the opportunities to fully utilise ULEVs are limited. The Sustainable Transport Officers Group, which coordinates a multi-departmental response to increase active and sustainable travel. <p>East Lothian Climate Action Hub and Community groups, which supports public engagement to reach net zero. The Sustainability & Climate Change Officer continues engagement with SSN and Scottish Government to align work with the Scottish Public Engagement Plan for net zero (Sep 2021).</p> <p>Carbon Literacy Training is currently being rolled out to staff. The Council has set a target of training 500 staff members by 2027, as this is one way to comply with our statutory duty in the Climate Change (Scotland) Act 2009 that public bodies must act sustainably. Raising climate literacy helps each department to identify action and contribute to mitigating and adapting to climate change.</p> <p>Climate emergency workshops are being held to the Area Partnerships to include climate emergency in their Area Plans. NBC have had theirs, Musselburgh's is planned for June and discussions have been had with Haddington.</p> <p>Meet with Association of East Lothian Community Councils to discuss the climate impacts in the area and actions needed.</p>									
ELC CR 9	Legal & Regulatory	<p>Limitation (Childhood Abuse) (Scotland) Act 2017</p> <p>Introduced on 4 October 2017 removing the three year limitation period for civil actions arising out of childhood abuse (defined to include sexual abuse, physical abuse, and emotional abuse) relating to children who have been in the care system. The Act covers the period prior to 2004.</p> <p>In conjunction with the Scottish Child Abuse Inquiry there is an increased likelihood of survivors coming forward which will potentially result in financial pressures if historic claims of child abuse (see definition above) are made and upheld against East Lothian Council as the statutory successor.</p> <p>There is no way of knowing how many claims may be made (i.e. all 'living' potential claimants). It is not anticipated that this number will rise significantly, although claims may still be received. The Council's insurers have indicated that they will cover appropriate external legal costs and compensation payments. However, the requirements to comply with SCAI S21 requests are placing significant strain on internal resources within the legal, social work and records management teams for which there is no additional budget.</p>	<p>It is a requirement under the act that the abuse occurred at a time when the individual was a child, which is defined as being under 18.</p> <p>Child Abuse Claims Group and SCAI Overview Group – East Lothian co-ordination of responses, reported strategically, managed flow and collaboration.</p> <p>Close monitoring of the work of the Scottish CAI itself and review of any published materials. Scotland-wide networking and information sharing on SCAI between authorities.</p> <p>Council has appointed external solicitors to provide legal support for the public fostering inquiry.</p> <p>Records Management expertise allows us to respond effectively to SAR requests and information requests / provide evidence. However, increase in volume of SAR requests received, not just in this area, are placing more pressure on the Information Governance team to be able to coordinate further work as required throughout the Council, to improve our records management systems to make them more efficient.</p>	4	4	16	<p>Discussions planned to consider how to ensure sufficient staffing resource available to deal with claims, court actions, and submission of S21 requests and recovery of documentation and to preserve the Council's position.</p> <p>Fully engage with the SCAI to anticipate and forecast future claims and ensure ELC is represented well in the public hearings.</p> <p>Ensure current social work practice with children who are accommodated away from home meets high professional standards and complies with legislation and national standards to ensure they are safe and reduce the likelihood of any 'new' claims arising.</p> <p>Full review of the overall Council Records Management systems and behaviours required to be undertaken to streamline obtaining the relevant information requested.</p>	4	3	12	<p>All measures reviewed quarterly at cross service catch up meeting and will be ongoing for some time.</p>	<p>Risk reviewed April 2023 by Insurance, Legal and CSWO with no changes to risk scores.</p> <p>Risk reviewed May 2022 by Chief Social Work Officer with planned score increased from 9 to 12.</p>

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		<p>The Child Abuse Inquiry continues to extend its investigations into other areas, which may affect the Council. The Inquiry recently considered foster care. There are currently two claims arising from foster care against the council.</p> <p>Judith Tait as CSWO gave evidence to the SCAI about the experiences of children in foster care in East Lothian. There may be more claims relating to foster care being made against the Council.</p> <p>The next phase of the Inquiry is in relation to residential schools and includes the previous St Joseph's, Tranent. Claims have been presented to successor authorities of LRC in relation to this establishment</p> <p>Redress Scotland established to provide survivors with an avenue to compensation where they do not wish to submit a claim directly to a successor organisation. Where the Redress Scheme is not used, any legitimate claimant may still raise action against ELC.</p> <p>Note that there remains a period from 2004 to present which is not covered by Scottish Government proposals/legislation for compensation schemes and as such any legitimate claim arising would need to be taken forward through ELC and/or Insurers.</p>	<p>Cross Lothian collaboration on Lothian Region period 1975 to 1996 (and predecessor authorities) re-records management etc. Accurate records post 1996 relating to East Lothian Council clients.</p> <p>Council Financial Reserve – may reduce the impact to service provision if claims extend beyond budget. 2023 update: further discussions to be held between successor LRC local authorities due to emerging risks of limits of indemnity and future allocation of claims.</p> <p>The Scottish Government redress schemes is available for potential claimants to pursue. Where a survivor submits a claim to the redress scheme and accepts the compensation offered, a waiver is signed so that they may not submit an insurance claim. The maximum amount of compensation through Redress Scotland is £100,000.</p> <p>Regular discussions with Council's Insurance providers and brokers to ensure risk continues to be covered and/or mitigated to allow regular review for sufficient budgetary provision for any additional costs/claims that may not be covered by insurance.</p>									
ELC CR 10	Physical and/or Psychological Impact on People Service Objectives Legal & Regulatory	<p>Flooding and Coastal Erosion</p> <p>As the incidence of flooding and coastal erosion increases as an impact of Climate Change, there is an increased risk of disruption and damage to road and path networks, impact on public and community safety, property, businesses, harbours and natural heritage sites and an associated increase in claims against the Council.</p>	<p>In December 2021, a Flood Risk Management Plan covering the Forth Estuary catchment over the 2022-28 (Cycle 2) period was published. In March 2023, the Forth Estuary Local Flood Risk Management Plan covering 2022-28 was published. This publication outlines the specific objectives and actions to be undertaken to mitigate flood risk in the East Lothian area and complies with East Lothian Council's duties under the Flood Risk Management (Scotland) Act 2009.</p> <p>The Forth Estuary Local Flood Risk Management Plan (LFRMP) 2022-28 identifies actions such as river and coastal flood studies, awareness raising and maintenance which are subject to funding.</p> <p>Musselburgh Flood Protection Scheme is proposed to be funded 80% by Scottish Government. The delivery of flood protection schemes is reliant on funding.</p> <p>An updated Timeline of Outline Design for the Musselburgh Flood Protection Scheme was approved in October 2022 and a large-scale community consultation event took place to present the preferred outline design in June 2023. In the months beforehand, five local area consultation events were held in February and April 2023.</p> <p>Flood risk and drainage issues are considered when processing planning applications and within long-term development planning. This assessment is aligned to new policy within National Planning Framework 4 (NPF4), published February 2023.</p>	4	4	16	<p>Flood studies for Dunbar, West Barns & North Berwick (Coastal), Cockenzie, Port Seton, Longniddry & Prestonpans, and Tranent & Macmerry have been included in the 2021-28 Flood Risk Management Plan and the 2022-28 Forth Estuary LFRMP.</p> <p>As part of the 2022-28 Local Flood Risk Management Plans Flood Protection Schemes for Musselburgh and Haddington are included in the list of actions for the Forth Estuary Local Plan District.</p> <p>ELC have undertaken Flood Studies for Musselburgh and Haddington within the 2016-2022 FRM cycle and are currently progressing the Musselburgh Flood Protection Scheme which is a fully established project. It has completed three of its nine stages, and is currently progressing Stage 4 (Outline Design) of the Scheme Design in accordance with the project's PRINCE2 Project Management System.</p> <p>Musselburgh FPS is not yet approved under the Flood Risk Management (Scotland) Act 2009 – the formal approval process will take place in early 2024 once the Outline Design stage is complete.</p> <p>The Council's Severe Weather Response will be tested in an Emergency Planning</p>	3	3	9	<p>2023-2028</p> <p>2023-2028</p> <p>2024</p> <p>2023-2024</p> <p>2023-2024</p>	<p>Risk reviewed and updated July 2023 by Senior Engineer - Flood Protection, with no change to assessment of current scores.</p>

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				L	I	L x I		L	I	L x I		
			<p>The Severe Weather Response Plan has been developed and ensures a co-ordinated and consistent multi-agency response across the county.</p> <p>Emergency surface water, coastal and river flooding procedures are in place and have proven effective.</p> <p>A Shoreline Management Plan has been produced.</p> <p>Advice on dealing with flooding is available on the Council website and directs people to the relevant websites, including SEPA's website.</p> <p>The Council is working with various organisations to promote and progress "Resilient Communities" as per the Scottish Government initiative "Ready Scotland".</p> <p>Communication with vulnerable groups regarding access and assistance during severe weather events.</p> <p>Maintenance of existing flood protection schemes.</p> <p>Improvements to introduce a risk-based process of undertaking watercourse inspections and delivering appropriate clearance and repair of watercourses was implemented in 2022.</p>				exercise during 2023-24 which will incorporate Flooding.					
ELC CR 11	Financial Service Objectives & Legal Regulatory	<p>The Impact of the National Care Service on East Lothian Council</p> <p>The Scottish Government proposal to establish a National Care Service, which could extend to all adult social work and social care services, children's services, justice social work services will result in the largest re-organisation of local government since the creation of single tier local authorities in 1995/96.</p> <p>The National Care Service (Scotland) Bill was published as at 22nd June 2022. The Bill sets out principles for the NCS and places a duty on Scottish Ministers to promote a Care Service designed to secure improvements in the wellbeing of the people of Scotland. The full scope of the NCS is still to be determined, although, the inclusion of Adult Social Work and Social Care must be assumed. There will be a period of formal research and consultation to inform the decision about the inclusion of Children and Justice Social Work Services. The Bill states that the NCS will be up and running by 2026.</p> <p>On the 12th July 2023, SG confirmed that accountability for the NCS would be a partnership between SG / LG and NHS. It also confirmed that the workforce and assets currently within local authorities, would remain there in the new NCS.</p> <p>At its inception, the council detailed concerns at the risk involved in this proposal which were detailed in the Council's response to the Scottish Government's consultation on its proposals (report to Members Library, November 2021). Some of these risks have been mitigated by the announcement of 12 July 2023 although others remain.</p>	<p>The council provided a detailed and comprehensive response to the Scottish Government's consultation on its proposals, outlining the concerns and risks involved in the creation of a National Care Service (report to Members Library, November 2021).</p> <p>Council officers will actively engage in National Professional networks and feedback any relevant information to the working group.</p> <p>CMT will continue to monitor the development of the proposal and report as appropriate to the Council.</p> <p>Council agreed to delegate authority to the Exec Dir of E&CS to respond to consultation exercises, and submit evidence, in respect to the Scottish Government's proposal for a National Care Service for Scotland and the National Care Service (Scotland) Bill.</p>	5	3	15	<p>The Council has established a working group that will consider the scope and impact that the NCS may have on Council Services. The working group will also monitor ongoing developments and respond to any request for information and engage in the consultation.</p>	4	3	12	<p>In line with Scottish Government decisions</p>	<p>Risk reviewed July 2023 by Executive Director, Education & Children's Services and reviewed by CMT August 2023 with current score reduce from 20 to 15 and residual score from 20 to 12.</p> <p>Risk reviewed July 2022 by Executive Director - Education & Children's Services and Head of Children's Services with the residual score increased from 16 to 20 due to the uncertainty around what the Council can do to treat the risk.</p> <p>New Corporate Risk created March 2022 by Head of Children's Service, also to replace risk on Public Sector Reform.</p>

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		The potential for elements of the proposed changes to lead to improved outcomes for vulnerable people is acknowledged. However, there remains uncertainty on any unintended consequences of the changes on how effectively and efficiently the council can continue to meet its statutory obligations.										
ELC CR 12	Physical and/or Psychological Impact on People	<p>Public Protection – Risk of Harm</p> <p>The Council has a legal responsibility to address concerns that may require a Child or Adult protection response. The Council also has an obligation to manage offenders through the Justice Social Work service and contribute to MAPPAs arrangements. It should be noted that by the very nature of the work involved in Child Protection, Adult Protection, management of offenders and people experiencing domestic abuse this is a high risk business even with all the controls and measures in place.</p> <p>Any failure to adequately respond to concerns may negatively impact on children and adults, who may be at risk of harm. This could also result in serious harm/death to an individual/s, prosecution, having to pay compensation and have a negative impact on the reputation of the Council.</p> <p>A failure to secure efficient and effective Public Protection arrangements, covering Child Protection, Adult Support and Protection, local MAPPAs arrangements, Violence against Women and Girls (VAWG) and Substance Misuse services, may see the Council being unable to fulfil its statutory duties/duty of care which could contribute to a service user suffering harm/death or detriment. This would in turn result in reputational damage to and increased scrutiny of the Social Work services.</p> <p>There are continuing issues with the delivery of Social Care Services within the Care Home and Care at Home sector. There is the potential for a service failure which could place vulnerable adults at risk of harm.</p> <p>There has been a long standing waiting list for an Outreach Service from Women's Aid Mid and East Lothian which is the specialist service provider for Women experiencing or having experienced domestic abuse. There is a funding gap created by non-recurring revenue streams and increased demand.</p> <p>In the context of rising demand for domestic abuse supports in the county, the council's arrangements for delivering Equally Safe, the national strategy to eradicate violence against women and girls requires a stronger strategic and partnership focus. Without this, East Lothian will not reduce the numbers of people experiencing harm through domestic abuse.</p> <p>Police Scotland had proposed unilateral changes to information sharing arrangements within MAPPAs that would have had serious repercussions for the safe operation of MAPPAs and the council's ability to deliver its duties as a responsible authority. Whilst the imminence of this risk has been reduced by extending the deadline for the change, the underlying barriers</p>	<p>Strategic Structure</p> <p>The East and Midlothian Public Protection Committee (EMPPC) is the local strategic partnership responsible for the overview of policy and practice in relation to Adult Protection, Child Protection, Offender Management and Violence Against Women and Girls. The primary aim of the Committee is to provide leadership and strategic oversight of Public Protection activity and performance across East Lothian and Midlothian. It discharges its functions through four sub-groups which meet quarterly:</p> <ul style="list-style-type: none"> Performance and Quality Improvement sub-group maintains overview of work through the door and performance in relation to CP and ASP work Learning and Practice Development sub-group takes forward our 2021-23 strategy for Multi-agency training, and oversees our training programme. Training needs on aspects of Public Protection are considered by this group and are informed by Training Needs Analyses undertaken by the East Lothian Workforce Development Officers in Children's Services and the HSCP. VAWG delivery group keeps oversight of services for gender based violence East and Midlothian MAPPAs Group (EMMG) oversees MAPPAs arrangements. <p>Critical Services Oversight Group (CSOG), Provides governance and leadership of EMPPC on a quarterly basis.</p> <p>The CSWO is chair of the local Strategic Oversight Group for MAPPAs and actively involved in national and local discussions around MAPPAs information sharing, supported by ELC legal and justice services. The East and Midlothian MAPPAs Group provides oversight and assurance of local MAPPAs performance and practice.</p> <p>The CSWO remains actively engaged in national meetings aimed at achieving a long-term solution to the MAPPAs information sharing / ViSOR issue ahead of the implementation of the replacement system MAPPAs. The CSWO will continue to provide regular assurance of the safety of MAPPAs practice to the CEO.</p> <p>The CSWO and Chief Executive are fully sighted on the current situation regarding ViSOR. Access to ViSOR requires Non-Police Personnel Vetting L2 or L3 and this is a highly intrusive process and colleagues in legal, Information Governance and HR have advised that JSW staff cannot be instructed to undertake this vetting and have confirmed that JSW need access to the information that ViSOR holds only, not the system itself, to fulfil their duties under the</p>	3	4	12	<p>A Joint Strategic Needs Assessment for Public Protection is being taken forward by CSOG.</p> <p>The Council Management Team and EMPPC learning and development sub-group will seek assurance that arrangements are in place for completion of Level 1 training.</p> <p>Awaiting feedback from Scottish Government.</p> <p>L&D</p> <p>Work has begun to refresh the knowledge and understanding of both CMT and SMT that child protection is everyone's responsibility and to ensure that this key message is communicated and understood by all staff.</p> <p>Under the new East Lothian Safety and Justice Strategic Partnership, the national strategy Equally Safe will be progressed through its own dedicated sub-group.</p> <p>The East Lothian Partnership's establishment of the new Community Safety and Justice Partnership, and creation of its 3 supporting groups – Community Safety Group, Community Justice Group and Equally Safe Group – will see a renewed focus on community safety and justice priorities during 2023/24.</p>	2	4	8	<p>August 2023</p> <p>September 2023</p> <p>March 2024</p>	<p>Risk reviewed April 2023 by Head of Operations, H&SCP with no change to risk scores.</p> <p>Risk refreshed October 2022 by General Manager - Adult Social Work and Public Protection Team Manager with current score reduced from 16 to 12 and residual score from 12 to 8.</p> <p>Risk reviewed and refreshed by Public Protection Team Manager, March 2022. Risk reduced from 20 and 20 to 16 and 12 due to an improving picture.</p>

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		<p>have not been resolved and some uncertainties remain around operational joint working between ELC and Police Scotland. East Lothian has no access to ViSOR.</p> <p>There are currently a small number of vacancies at senior leadership level arising from the Head of Operations, H&SCP and General Manager - Adult Social Work moving on to new posts. This loss of experience presents a risk and has the potential to create some uncertainty amongst staff teams.</p>	<p>Management of Offenders (Scotland) Act 2005 on which MAPPA is based.</p> <p>'Acting Up' arrangements have been put in place whilst the recruitment process is underway to fill the permanent posts.</p> <p>Marac (Multi-agency risk assessment conferences) continues to operate on a four weekly basis, by Microsoft Teams, with additional meetings scheduled to respond to increase in demand, ensuring that the needs of and supports to highest risk victims of domestic abuse are planned for on a multi-agency basis.</p> <p>East Lothian Safe and Together implementation group will continue to meet to review and maintain oversight of training and embedding S&T in practice in East Lothian. This will also be monitored via EMPPC Learning and Development Sub-group.</p> <p>A Joint Strategic Needs Assessment for Public Protection has being developed and is being reviewed by CSOG. This projects increased demand for services and makes a number of recommendations for the future delivery of Public Protection services.</p> <p>ELC H&SCP Management attend NHS Gold meetings where the capacity gap is detailed and set in the context of the wider system risk caused by challenges facing NHS Lothian acute sites</p> <p>ELC H&SCP have regular Care at Home Oversight Group Meetings to monitor the levels of provision of essential care at home. The councils' CSWO attends this meeting to ensure discharge of assuring the quality of care. This will remain in place until there is assurance of stability.</p> <p>Care at Home service provision continues to be monitored via East Lothian and Midlothian Public Protection Committee and Critical Services Oversight Group which both meet quarterly.</p> <p>A risk management tool has been developed in relation to Care at Home to provide consistency in how the providers are assessing their capacity to respond and deliver their required level of service.</p> <p>Policies, Protocols, Procedures and Guidance are in place, subject to ongoing review and update and available on Public Protection website: www.emppc.org.uk.</p> <p>Chief Social Work Officer (CSWO) fulfils statutory role and responsibilities, overseeing and reporting on Public Protection issues to Chief Executive and Elected Members, reporting annually to Council giving oversight of Public Protection performance including assessment of risks and pressures.</p>									

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			<p>The Council, through the CONTEST Oversight working Group, Chaired by Head of Communities, continues to work towards delivering the UK Government's Counter Terrorism strategy, known as CONTEST, of which Prevent is a key element. EMPPC has a Prevent referral pathway which has been reviewed.</p> <p>The Lead Officer for Adult Protection leads the Council Officer forum, to support learning and practice and process consistency in Adult Protection.</p> <p>All Regulated Services e.g. Care homes for older people, residential units for young people, Schools are inspected by Care Inspectorate and Education Scotland. Improvement plans are implemented following all Regulated Services inspections. A weekly Care at Home Oversight Group has been established to oversee and manage risks in relation to staffing</p> <p>Both the Lead Officer for Child Protection and Adult Protection participate in the Inter-agency Referral Discussion Overview Group, which reviews and provides quality assurance of the decisions taken to manage vulnerable children and adults risks.</p>				Contest Oversight Working Group reviewing forthcoming Protect Duty and obligations, relating to counter-terrorism security and safety measures in public places/spaces: final UK Government legislative requirements awaited.					
ELC CR 13	Service Objectives & Legal Regulatory	<p>Duty of Care to Public</p> <p>The Council has a responsibility to provide care and support for the people of East Lothian and East Lothian's environment. Any breach of this duty of care may compromise legislative duties, health, safety and wellbeing, impacting on, for example, the protection of children and adults.</p> <p>Failure to fulfil the duty of care could also result in serious harm/death to an individual/s, prosecution, having to pay compensation and have a negative impact on the reputation of the Council.</p> <p>Additional pressure within this area caused by external providers struggling to deliver through staffing issues.</p> <p>The Council took out QBE policy in 2021 with Medmal, which now includes cover for some intrusive medical intervention (e.g. tube feeding or assistance with diabetic pumps). However, prior to this there is a 5 year period where the Council was without any cover, the claims for which may not be submitted for many years (particularly if it relating to children) meaning this risk will remain for some time.</p> <p>Members of the public access services in many public buildings which require to operate within statutory health and safety requirements relating to the building itself, and spaces within it. Some services are provided in the outdoor public realm. Failure to operate services safely both within ELC buildings and in outdoor spaces could risk harm to members of the public and staff, resulting in injury, financial liability and reputational damage.</p>	<p>Prioritise maintenance of safe staffing levels for all statutory services the partnership delivers.</p> <p>Briefing sessions, specialist training and supports are in place.</p> <p>Regular formal supervision in place for all staff including completion of PRD's and e-KSF, focusing on specific and agreed development needs.</p> <p>Clinical & Care Governance Committee established which is to provide strategic oversight within the Partnership. Chief Social Work Officer, Chief Nurse, Clinical Director, AHP Lead oversight and review of practice to assess workload allocation and risk management.</p> <p>Specific oversight groups established for example Care Home, Health & Safety and Risk Management.</p> <p>Review ongoing through bi-weekly Care at Home meetings chaired by General Managers.</p> <p>Services comply with required professional registration standards for all staff, e.g. SSSC, HCPC, NMC etc.</p> <p>"Safer Recruitment" practices and PVG checks embedded.</p> <p>LSI mechanism in place with reporting structure through PPC.</p> <p>Regular engagement with the Care Inspectorate reviewing services in place</p> <p>Risk assessment documentation shared with providers with client RAG in place to ensure services are prioritised for those most at risk.</p>	3	4	12	<p>Review of oversight and governance arrangements for assessment.</p> <p>Alteration of the workforce model for delivery of care a home services including expansion of internal delivery.</p> <p>Comprehensive pathway modelling underway lead by Head of Operations.</p>	2	4	8	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>Risk reviewed April 2023 by Head of Operations, H&SCP with no change to risk scores.</p> <p>New risk created November 2022 by Head of Operations, H&SCP.</p>

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				L	I	L x I		L	I	L x I		
			Council owned buildings and open spaces subject to strict management and maintenance regimes, with all requisite risk assessments and safe operating arrangements in place.									
ELC CR 14	Physical and/or Psychological Impact on People	<p>Severe Weather</p> <p>There is a risk that severe winter weather will lead to an increase in demand for gritting and snow clearing of roads/footpaths which exceeds normal capacity and supplies of salt.</p> <p>This could result in travel disruption, difficulties for people in accessing services, failure to maintain refuse collection timetable and school closures at short notice as well as a possible increase in insurance claims related to pothole damage.</p> <p>Communities may become isolated, particularly in rural areas, due to heavy and prolonged snow. In such cases communication with residents within these isolated areas may become difficult as they become cut off, possibly aligned to power failure caused by strong winds and/or the weight of snow on the lines.</p> <p>There are limitations to the service the council can offer. The Council Roads team focus on treatment and snow clearing of the main priority road network, made up of the major routes where the majority of vehicle movements take place and also includes accesses to hospitals, ambulance stations, fire stations, other emergency service establishments, railway stations and schools. Primary Routes are treated and cleared of ice and snow first and then the Roads team move onto Secondary Routes and finally tertiary and minor routes which include residential areas, cul-de-sacs. During periods of extreme weather and heavy snowfall when roads and footways are affected by significant levels of lying snow, priority will be given to primary carriageway routes and primary footpath routes with resources deployed on these specified routes continuously until satisfactory snow clearance has been achieved before resources are deployed to any secondary routes and tertiary routes, so it maybe some time before we can attend to these areas.</p>	<p>East Lothian Councils Winter Maintenance Plan has been in place for some time and ensures that the main transport routes are treated as priority.</p> <p>The Council has a Severe Weather and Adverse Events Policy in place for all staff while the Council has its own mitigating measures for its own estates/property during severe weather.</p> <p>During Severe Weather events our Contact Centre becomes the first point of contact for any issues to be raised and responded to whilst our Communications team shares warnings and other relevant information with the public as this becomes available.</p> <p>The ELC Severe Weather Response Plan has been developed over many years and ensures a co-ordinated and consistent multi-agency response across the county. This plan is reviewed annually in conjunction with support from partner agencies.</p> <p>The ELC Severe Weather Response plan includes reference to and improvements learned from the 'Beast from the East' (snow) incident in 2018 and Storm Arwen.</p> <p>The Council's Salt Barn has a capacity of 8,000 tonnes to meet demand arising from severe cold weather.</p> <p>A fourth-generation SXL framework was approved by Executive Sub Committee in August 2022. This framework has commenced for salt for winter road maintenance for the period 1 November 2022 until 31 October 2026.</p> <p>Snow clearing equipment has been supplied to Primary Schools. Community Councils through Resilient Communities are able to request winter response equipment from the Council. These requests are considered as per their need. A number of grit bins are provided to enable self-help gritting of adopted roads and footways. Resilient Communities are encouraged to survey the grit bins in their area and report back to the Council if new bins or grit is required.</p> <p>Winter Maintenance operatives are trained to SVQ or equivalent in winter gritting and snow clearing. Winter Maintenance Duty officers trained as Winter Service Supervisors to City and Guilds level.</p> <p>The majority of Community Councils have Resilient Community Groups who have created their own emergency response plans or asset registers of volunteers/skills available at a time of crises. Each Resilient Community has its own Single Point of Contact (SPOC) and deputy for resilient matters including severe weather. Communication and good</p>	3	3	9						Risk reviewed and updated July 2023, with no change to assessment of current scores.
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			<p>working relationships have been created and maintained with these SPoCs/deputies by ELC Emergency Planning staff.</p> <p>Work continues with the Resilient Communities and also involves other voluntary groups such as Tenants and Residents Groups. ELC organises an annual workshop for Resilient Communities which allows lessons learned and best practice to be discussed and progressed. It also allows for the public to meet responder agency staff such as the 'blue lights', SEPA and the utility companies.</p> <p>ELC finances all 20 Community Councils' annual insurance premiums ensuring that Insurance is not perceived as a barrier to invoking such plans.</p> <p>Training and awareness sessions, related to the activation of the ELC Severe Weather response plan, are completed on a regular basis. Partner agencies are often involved.</p>									
ELC CR 15	Physical and/or Psychological Impact on People Legal & Regulatory	<p>Communicable Disease Outbreaks of Public Health Significance</p> <p>ELC continue to liaise with NHSL Public Health Service, and wider national and international reports e.g. World Health Organisation, to monitor public health advice and guidelines relating to all public health outbreaks e.g. legionella. Pandemic, et al.</p> <p>The ability to quickly and effectively respond to any declared national or local public health outbreak remains embedded in Civil Contingency Act 2004 first responders e.g. NHS, Police, Fire, Councils.</p>	<p>Processes in place to establish proactive communicating, and encouraging compliance with all government and public health authorities' advice and reducing the impact/spread of misinformation by relying on information from trusted sources.</p> <p>Established mechanism to stand up the Council Management Team (Critical Incident Response Team) to oversee and direct the Council's response to any public health outbreak.</p> <p>The Council has had to adapt is delivery of services beyond the COVID pandemic and now subsequent concurrent challenges including the cost of living crisis and ensuing economic volatility. The COVID-10 Recovery & Renewal Plan interventions are now embedded within the Council Plan and are also overseen by the East Lothian partnership.</p> <p>Resilience Direct continues to be available for use to share information on a multi-agency basis.</p> <p>Business Continuity Plans in place in all services leading to staff continuing to work from home unless it is essential for them to be in their place of work.</p> <p>Public Health Scotland has published (September 2022) National Respiratory Surveillance Plan and also Plan for Monitoring and Responding to New SARS-Cov-2 Variants and Mutations. These plans detail how an effective and efficient surveillance service will be delivered in Scotland and sets out how the identification, investigation, risk assessment and response in relation to COVID19 variants and mutations will be carried out. The document recommends local authorities to stand ready to support any operational roll out of a VAM response.</p> <p>Protective Services continue to have regular engagement with NHS Lothian Health Protection Team</p>	3	3	9	Ongoing deployment of JCVI vaccine and booster programme and liaison with NHSL and PHS relating to any public health outbreak to inform service interventions and timely community information and updates re service delivery and ongoing safety measures.	2	3	6	<p>All measures are live and monitored on a weekly basis.</p> <p>Risk reviewed April & May 2023 by Head of Operations, H&SCP with current risk score reduced from 12 to 9 due to service not seeing a significant impact and residual score reduced from 9 to 6 once vaccine fully rolled out.</p> <p>Risk reviewed November 2022 by Head of Operations, H&SCP and Service Manager, Protective Services with risk title and content edited from only COVID to all Communicable Diseases.</p> <p>Risk fully reviewed and refreshed by Executive Director of Place, CMT and Risk Owners May 2022 with current risk score reduced from 16 to 12 and residual score from 12 to 9.</p>	

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				L	I	L x I		L	I	L x I		
			<p>and are ready to work in partnership with NHS Lothian in relation to standing up a response where required.</p> <p>HSCP continues to support delivery of the COVID19 vaccination programme.</p> <p>Resilient Communities Groups exist in each Community Council area and Groups are ready to stand-up when required.</p> <p>Volunteer Centre East Lothian collaboration over support for local Third and Voluntary sector organisations able to respond to consequences across communities.</p> <p>The Council provides a prime source of local EL public information, constantly updated, in the Council Website as well as regular updates on Social Media platforms.</p> <p>HSCP are following NHS and ELC guidance on staffing and using JPF to monitor the situation.</p>									
ELC CR 16	Physical and/or Psychological Impact on People Legal & Regulatory	<p>Threat of Terrorism</p> <p>Delivering the UK Government's Counter Terrorism (CT) strategy, known as CONTEST (comprised of four components - Prevent, Protect, Prepare and Pursue).</p> <p>All Local Authorities in Scotland are required to comply with the statutory legislation issued under section 24 of the Counter Terrorism and Security Act 2015 that relates to Prevent.</p> <p>Failure to discharge this duty could mean sufficient steps are not taken to prevent an incident taking place, under Prevent, and could result in the Secretary of State issuing a direction to the Council via the powers within the act and would also result in a loss of reputation and negative publicity.</p>	<p>Multi agency 'J' Division CONTEST Meeting attended by East Lothian Council representatives.</p> <p>ELC has established a CT WG chaired by the Head of Communities with members consisting of CMT, key senior managers, Police Scotland and a QMU representative.</p> <p>ELC has appointed senior members of staff as SPoC (Head of Children's Services) and Deputy SPoC (Head of Education) for Prevent as per statutory guidelines.</p> <p>A SPoC for Prepare and Protect although not a statutory requirement, has also been appointed (Emergency Planning, Risk and Resilience Manager).</p> <p>Under Protect the CMT are prepared should the Government raise the Security Level to Critical. Service Business Continuity plans take this into account. This includes staff working from home as a result of council facilities being closed during any emergency response.</p> <p>ELC follows and contributes towards the 'J' Division Contest group implementation plan.</p> <p>The SPOC Prevent Group in the East of Scotland is attended by the ELC SPoC.</p> <p>Prevent Multi-Agency Panels Chair (SPoC) and Depute (Service Manager Adult Social Work and General Manager Children's Services respectively) identified to chair multi-agency meetings established to discuss any referrals.</p> <p>Regular internal and external communication of any national counter-terrorism updates. Information regarding Protect and Prepare is received from the National Counter Terrorism Security Office. This information is then circulated to appropriate key ELC staff and local businesses.</p>	3	3	9	<p>Awareness-raising sessions are being arranged with Police colleagues with independent service providers operating in East Lothian.</p> <p>CT police are offering bespoke Prevent training across other council services and supporting managers to update paper-based training materials for manual staff.</p> <p>Further service-specific Prevent training is being arranged for children's and justice social work services.</p> <p>Roll out and 2022/23 uptake of mandatory Prevent e-learning will be reported to the Prevent working Group.</p> <p>Review and implement learning from Exercise Safe Steeple.</p>	2	3	6	<p>September 2023</p> <p>September 2023</p> <p>September 2023</p> <p>May 2023</p> <p>May 2024</p> <p>September 2023</p>	<p>Risk refreshed by Head of Communities, Contest Working Group Chair, April 2023 – no change to risk scores.</p> <p>Risk reviewed August 2018 by Board of Directors with Current Score reduced from 12 to 9.</p>
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				L	I	L x I		L	I	L x I			
			<p>A Prevent working group, chaired by the Head of Children's Services, meets regularly and a Prevent reporting process has been established. A refreshed Prevent Delivery Plan has been completed and has been approved by the ELC Contest group. Progress of the Prevent delivery plan will be monitored through quarterly Prevent working group meetings and reporting to EL Contest group.</p> <p>Elected Members were briefed in January 2022.</p> <p>Joint training (with Midlothian) for PMAP members was undertaken.</p> <p>Home Office PMAP training was provided for managers in justice, children's and adult social work services.</p> <p>ELC have submitted an annual assurance statement of compliance with Prevent to Scottish Government in relation to the new statutory guidance for Prevent and PMAP (Feb 2022).</p> <p>Education personnel are fully engaged with Prevent and appropriate filters have been installed on the Education infrastructure.</p> <p>Updated Prevent referral pathway has been agreed with EMPPC and communicated on the intranet, including the new national Prevent referral form.</p> <p>A Prevent – Counter Terrorism e-learning module is available on Learn Pro, and is a mandatory learning module for staff.</p> <p>UK Government Home Officer e-learning for the new Protect Duty rolled out from March 2023, signposted to services/staff working in complex public buildings/venues and in outdoor arenas.</p> <p>ELC Emergency Planning, Risk and resilience and members of CMT attended Exercise Safe Steeple, March 2023, led by SGov Resilience to exercise multi-agency response to a marauding terrorist attack.</p> <p>The ELC Prepare and Protect SPoC liaises with Police Scotland and in particular the CT team to ensure current information on these areas is circulated to appropriate ELC key staff and staff in general if required. The SPoC also ensures important information is uploaded onto the ELC Intranet.</p>										
ELC CR 17	Service Objectives Legal & Regulatory Physical and/or Psychological Impact on People	<p>Business Continuity</p> <p>Failure to ensure currency of Business Continuity Plans could lead to services not having a robust response to an incident affecting their service area or critical services may not be maintained, while critical services for the public could be affected and statutory requirements not completed.</p> <p>Non availability of:</p>	<p>Business Continuity Framework Plan in place and regularly reviewed.</p> <p>Business Continuity Plans are maintained for all service areas, giving details of minimum levels of staff, alternate locations, exercise and review dates and version control.</p> <p>The Chief Executive has a statutory responsibility for the ELC BC process. The Heads of Service remain</p>	2	4	8	95	Progress Business Continuity Plans with Education and H&SCP in order that each School and Care Home has a plan.	2	3	6	October 2023	Risk refreshed June 2023 noting changes to risk description and mitigation measures whilst no change to risk scores.

Risk Ref.	Risk Category	Risk Description	Existing Risk Control Measures	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Timescale for Completion / Review Frequency	Evidence held of Regular Review	
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				L	I	L x I		L	I	L x I			
		<ul style="list-style-type: none"> premises, through fire, flood or other unexpected incident; key staff or significant numbers of front-line staff for any reason e.g. a Pandemic; systems (IT, telephony, power failure etc.); any form of transportation due to a fuel shortage. <p>The occurrence of any of these may have an adverse effect on the Council to function fully and to complete critical services and statutory requirements.</p>	<p>responsible for ensuring the BC process is completed within their area of work.</p> <p>Each service area now has a Single Point of Contact (SPoC) and deputy who are responsible for, their services BC Plan, exercising this plan and ensuring it is maintained. All BC Plans are managed through Continuity² Software.</p> <p>The Council carried out a Council Wide Business Continuity Exercise in November 2019 which successfully tested the BC capabilities of the Council. Each Service carries out an annual BC exercise.</p> <p>ELC staff have access to an e-learning package on Business Continuity which was reviewed and refreshed during March 2021.</p> <p>Business Continuity Plans are invoked as Services suffer BC issues with a fortnightly update of those plans invoked provided to CMT.</p> <p>An IT Disaster Recovery Plan is in place and will be regularly updated when any changes take place in the main data centres. For single server failure - there are over 100 systems now running on virtual servers which automatically fall over to another server if there are hardware issues. Specific disaster recovery arrangements are in place for the critical systems of telephony, e-mail and social care.</p> <p>Controls that are in place to prevent and limit the effects of IT system unavailability including firewalls, anti-virus software, system/data backup routines, and resilience in the form of a back-up generator for the main data centre at JMH.</p> <p>All Services asked to consider a National Power Outage as part of their BC Plan.</p> <p>ELC services are encouraged to take all risks that may impact on East Lothian into account when completing their Business Continuity (BC) plans as an example, severe weather or electricity failure or extreme staff shortages. BC plans are key to ensure ELC services continue to provide their critical activities.</p>										
ELC CR 18	Service Objectives Legal & Regulatory	<p>Development Plan</p> <p>Failure to prepare a new Local Development Plan within the 5 year timeframe set by the Scottish Government. This could result in an outdated Development Plan and could result in an out of date planning strategy and policy context for planning decisions in East Lothian; it could:</p> <ul style="list-style-type: none"> contribute towards the Council not being able to achieve Council Plan objectives (particularly around the provision of sufficient employment land) – Growing our Economy and Growing our Communities – and related Single Outcome Agreement objectives; lead to failure to accord with other Council plans and more recent higher level plans and legislation; potentially undermine our ability to defend local planning decisions leading to ‘planning by 	<p>The NPF4 has been published by the Scottish Government, which now forms part of the Development Plan.</p> <p>Production of the LDP Evidence Report has started with public engagement underway.</p> <p>Maintenance of the Local Development Plan Scheme with timescales (last reviewed 2022).</p> <p>Interim Regional Spatial Strategy has been prepared, informing NPF4. The Regional Prosperity Framework has been ratified by the SE Scotland authorities.</p> <p>SG and SPG all approved/adopted, including Developer Contributions Framework.</p>	4	2	8	96	<p>Work on LDP2 has started and will continue from now until 2025/26. By starting the plan now the risk of the plan becoming out of date is reduced but the lack of approved national regulations and guidance provides a slightly heightened threat to the process.</p>	2	2	4	June 2024	<p>Risk refreshed by –Service Manager for Planning, June 2023, with no change to risk scores.</p> <p>Risk reviewed by Head of Service - Development, April 2023 with current score increased to 8 from 6 and residual to 4 from 2.</p>

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				L	I	L x I		L	I	L x I		
		<p>appeal'. This could result in unplanned development at odds with the planning strategy for East Lothian, and consequent reputational damage;</p> <ul style="list-style-type: none"> undermine our ability to secure S75 contributions towards essential infrastructure with consequent impact on corporate capital and revenue planning. <p>Risk is added to the process for the production of the next LDP as it will be commenced without all the national regulations and guidance being published.</p>										
ELC CR 19	Legal & Regulatory	<p>Corporate Events Management</p> <p>Effective preparation and co-ordination across a number of services, for events held in East Lothian, is essential. Failure to achieve this could result in event safety being compromised followed by a risk of adverse reputational damage for the Council on a local/national/international level as well as possible legal ramifications at fatal accident enquiries accounting for action or non-action.</p> <p>COSLA, Police Scotland and the Health & Safety Executive (HSE) recommend that Local Authorities form a core group, led by a senior (strategic) officer, who will meet to discuss all events taking place within their area over a pre-determined period of time. This group includes category 1 responders and other appropriate organisations and decide if each individual event should be organised through a separate, specific Safety Advisory Group (SAG) or if the event can carry on without interference, other than appropriate safety advice.</p> <p>The following criteria would be considered by the Safety Advisory Group (ELSAG):</p> <ul style="list-style-type: none"> Status of the principal e.g. HM Queen Status of the event organiser e.g. Scottish Defence League The size of the crowd or the number of spectators Event site – proximity to residential area, remote, inaccessible Whether alcohol is available or any other license is required Impact upon local community Type of Activity - hazardous The profile of the event – National following increasing footfall/interest. The requirement for a TTRO At the request of one of the partner agencies At the request of an event organiser <p>ELC is involved in events as they tend to take place in Council parks or on Council roads. The Council issues licenses and permits for events. The Council also has a statutory role in enforcement /inspection (building control, food hygiene etc.) and will help the organisers with traffic management, through TTRO's.</p> <p>If the event organisers fail to have the correct licences or safety processes in place it is the organisers who face the risk of possible criminal prosecution.</p>	<p>East Lothian Council has a revised SAG policy in place which came into effect May 2022 (reported into Members' Library Service).</p> <p>The East Lothian Safety Advisory Group (SAG) Strategy comprises two main elements:</p> <ul style="list-style-type: none"> Strategic Event Safety Oversight Group (SESOG) Safety Advisory Group (SAG) <p>The SESOG, Chaired by Executive Director for Place, will hold SAG process overview meetings (at least twice annually) to prescribe criteria for which event organisers are invited to participate in the Safety Advisory Group process and to confirm which events require to attend SAG, based on the risk profile. The SESOG will be Chaired by an East Lothian Council Head of Service.</p> <p>The ELC Emergency Planning, Resilient Communities and Events Officer will chair the SAG for all events, except for any specific events where the SESOG determines otherwise.</p> <p>Events that require to be put through the SAG are managed through a risk profile process which grades each event as having a Red, Amber or Green (RAG) risk. Events graded as Green are not required to attend a SAG meeting. Those graded Red and Amber are required to attend a SAG meeting.</p> <p>The SAG process co-ordinates preparation for various events as per the risk profile, with representation from relevant Services areas and Multi-Agency Partners.</p> <p>Event guidance for organisers of events is published on the Council website.</p> <p>Where the SAG group is set up, for a specific event, it has no statutory power to stop it taking place. However, the SAG group can withdraw its support and co-operation, for any event, which may mean that the event cannot proceed. In these circumstances the event organiser will be advised to notify their insurance provider. That said other agencies or partners of the Group may act independently of the SAG and use their own statutory powers to unilaterally prevent the event from taking place. Police Scotland will always provide the final advice on public safety.</p>	2	3	6	2	3	6		Risk refreshed July 2023 with no change to risk scores.	

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				L	I	L x I		L	I	L x I		
		<p>East Lothian Council is itself responsible for organising several events on an annual basis. For each event an event organiser will be identified from within the Council.</p> <p>All event organisers should attend a SAG meeting if required to do so.</p>	<p>Events information and documentation accessed through the ELC website reviewed by the ELC Event Safety & Resilience Officer, maintaining oversight of the processes linked with the SAG, through his/her line manager, to continually improve the overall system.</p> <p>Only events organised and managed directly by ELC are covered by our insurance, part of the due diligence into any event requires that all insurance/s are verified for the activities that are to be undertaken. Where ELC cover is not in place, it may be appropriate to have additional cover through event insurance providers.</p>									
ELC CR 20	Legal & Regulatory	<p>Equality</p> <p>Failure to meet duties and legislative requirements of the Single Equality Act 2010.</p> <p>The Single Equality Act 2010 and related guidance places a general duty on public authorities to be active in promoting equality, eliminating unlawful conduct and fostering good relations. It also places specific duties on public authorities to</p> <ul style="list-style-type: none"> report on mainstreaming the equality duty; publish equality outcomes and report progress; assess and review policies and practices; gather and use employee information; publish gender pay gap information; publish statements on equal pay; consider award criteria and conditions in relation to public procurement; publish in a manner that is accessible. <p>The Scottish Government has introduced the Fairer Scotland (socio- economic) duty. This will require the Council to consider the impact of our work on those living in poverty. The Council will need to respond to the full requirements of this new duty and raise awareness of the requirements on the Council.</p> <p>There is a risk that the Council may not be able to meet its general or specific duties and in particular at a time when difficult budget decisions are having to be made that there will be cuts in services or increases in charges that have a disproportionate impact on people who may need those services most because of their equality background.</p> <p>The Council would be open to legal challenge of not meeting its duties and in particular of not carrying out adequate assessment of impact of policies and budget decisions.</p>	<p>ELC Equality Plan 2021-2025 was adopted in November 2021. This includes the commitments made by East Lothian Council as a Licensing Board and as an Education Authority. The plan outlines our commitments:</p> <ul style="list-style-type: none"> Continue to lead a culture where respect, choice and understanding is fostered and diversity positively valued; Maintain a working environment where unlawful discrimination, harassment, victimisation or bullying is not tolerated; Continue to develop our understanding of the needs of different individuals and communities in a time of rapid change; Continue to embed the equality agenda in all our work, and contribute to the early intervention and prevention approach adopted by the Council and its Partners; Improve understanding of the impact of poverty and inequality on people's lives; and Ensure that we plan and deliver services which meet modern standards of delivery and that are inclusive of a wide range of different needs from digital services to face to face interactions <p>The Integrated Impact Assessment Process is embedded and is now widely used. This includes consideration of poverty which should allow us to meet the requirements of the new socio economic duty. A programme of support, including training on the new IIA process is ongoing.</p> <p>Continue to embed the use of the Scottish Government's Sustainable Procurement Tools into procurement procedures.</p> <p>The Health & Social Care IJBs (East & Midlothian and City of Edinburgh) along with NHS Lothian will use the 'checklist and IIA form' package, with East and Midlothian Councils using the IIA form only package.</p> <p>As per our statutory obligation, HR is annually capturing the Employment Monitoring information required under the Act. This is reported publically</p>	2	3	6				<p>December 2023</p> <p>October 2023</p>	<p>Risk reviewed and updated March 2023 by Service Manager – Improvement, Policy & Communications with no change to assessment of current scores.</p>	

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			<p>alongside the requirement to publish an annual Equal Pay Report.</p> <p>ELC Equalities Mainstreaming Annual Report 2022-23 published.</p> <p>E Learning equalities modules are available on Learn Pro and 'Get in on the Act' guides to the Council's legal responsibilities are available for all employees and Elected members. A new e learning package 'Understanding Poverty' has been added to support employees to understand about taking poverty into account when designing services and will be updated once details of the Socio Economic duty are known.</p>									
ELC CR 21	Reputation & Legal Regulatory	<p>Standards in Public Life</p> <p>Failure of corporate governance or to meet standards in public life.</p> <p>Failure of the Council's corporate governance or of officials or members to meet standards in public life could result in reputational damage.</p>	<p>Standing Orders (the Schemes of Administration and Scheme of Delegation) are regularly reviewed and revised. The most recent review took place in April and June 2023, with two reports to Council.</p> <p>The Council has an adopted Code of Conduct for its employees which gives all employees greater clarity around the standards of behaviour expected of them. Breach of the Code may amount to a disciplinary offence.</p> <p>Training on the Councillors' Code of Conduct is offered to Members periodically with regular updates from the Standards Commission circulated to Members.</p> <p>The Council's Monitoring Officer and Depute Monitoring Officers provide advice as required.</p> <p>An induction programme for new Councillors was delivered to both new and returning Members. This included training on standards in public life and, specifically, on compliance with the requirements of the Councillors' Code of Conduct.</p> <p>A 100-day review took place with our Elected Members in August 2022. This was carried out by way of face-to-face meetings with Elected Members and covered the Elected Member Induction Programme, the Councillors' Code of Conduct, PA support, office accommodation, Access to Council officers, committee papers, surgeries, and further training and development.</p>	2	2	4	<p>The Council's Standing Orders are reviewed regularly and a further review will be undertaken after a period of operation of the Hybrid Committee Meetings system to ensure they remain up to date and relevant.</p>	2	2	4	April 2024	Risk Reviewed by Head of Corporate Support June 2023 with no change in risk scores.

REPORT TO: East Lothian Council

MEETING DATE: 29 August 2023

BY: Executive Director for Place

SUBJECT: Scottish Government Visitor Levy (Scotland) Bill:
Consultation Response

6

1 PURPOSE

- 1.1 To enable Council to consider the proposed response to the Scottish Government's consultation on the Visitor Levy (Scotland) Bill.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to agree the proposed consultation response set out within Appendix 1, to be submitted by 15 September 2023.

3 BACKGROUND

- 3.1 The Scottish Government has proposed a new law which would allow local authorities to introduce an additional charge when someone pays for overnight accommodation. MSPs on the Scottish Parliament's Local Government, Housing and Planning Committee are looking at the details of the proposals and are seeking views from interested parties, including local authorities, industry groups, businesses, and the public.
- 3.2 Policy Objectives - The overall policy objective of the Bill is to give a discretionary power to local authorities to introduce a levy on stays in overnight accommodation in all, or part, of their area if they choose to do so. Giving local authorities this power is expected to "strengthen local democracy by [providing] a discretionary new fiscal power that [local authorities] can choose to use in their areas if they consider it appropriate to do so." Funding raised from a visitor levy will be required to be spent on the visitor economy, such as facilities or services substantially for or used by visitors, providing a local authority with new resources it can use for these purposes. This may be particularly relevant in areas where public

services are under additional pressure due to the number of visitors to an area.

- 3.3 Previous Consultation - Between November 2018 and January 2019 the Scottish Government facilitated a national discussion on tourist taxes in Scotland to “seek views and build a common and shared understanding of the issues, opportunities, and challenges.” The findings of that consultation can be accessed here [The Principles of a Local Discretionary Transient Visitor Levy or Tourist Tax - gov.scot \(www.gov.scot\)](http://www.gov.scot)
- 3.4 East Lothian Council will submit the detailed response to the current consultation’s 13 questions noted in Appendix 1. Submissions are required by 15 September 2023.
- 3.5 Further background on the Bill, including the full text, explanatory notes, policy memorandum, and financial memorandum can be found online at [Scottish Government Visitor Levy \(Scotland\) Bill Consultation Response August 2023](#)

4 POLICY IMPLICATIONS

- 4.1 The Economic Development Service will consider the implications of the Bill and proposed powers through the process of developing its new Local Economy Strategy, currently ongoing. This may include commissioning at cost additional analysis of the local tourism economy in the context of the proposed powers to consider the local context and impact, including estimating the level of funds that might be raised for reinvestment in local tourism support and / or infrastructure.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 Impact assessments will be undertaken if any changes to policy are proposed in the future.

6 RESOURCE IMPLICATIONS

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

7 BACKGROUND PAPERS

- 7.1 Full text of the explanatory notes, policy memorandum, and financial memorandum can be found online at [Scottish Government Visitor Levy \(Scotland\) Bill Consultation Response August 2023](#)
- 7.2 The findings from the Scottish Government's earlier consultation on a Visitor levy for Scotland can be found online at [The Principles of a Local](#)

[Discretionary Transient Visitor Levy or Tourist Tax - gov.scot](http://www.gov.scot)
www.gov.scot

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DATE	16 August 2023

**Appendix 1 – East Lothian Council Response to Visitor Levy (Scotland)
Bill Consultation September 2023**

1. What are your views on whether local authorities should have a power to place a levy (a type of additional charge or fee) on top of the price charged for overnight accommodation in their area?

We believe this is an appropriate power for local authorities to have. However, we would note that it is important to fully consider the individual and aggregate impact on visitors, local authorities, accommodation providers, and other businesses linked to the tourism industry in terms of cost, administrative burden, complexity, impact on competitiveness, and market distortion etc. Note that East Lothian has not made such an assessment.

2. Given that the Bill is likely to result in different councils introducing a visitor levy in different ways or not doing so at all, what impact do you think the Bill will have in your area and across different parts of Scotland? For example, this could include any impact (positive or negative) on local authority finances, local accountability and flexibility, businesses, or on numbers of overnight visitors.

General impact

Generally, the locality-by-locality implementation of a TVL is likely to impact different areas differently, e.g. for areas with lower numbers of overnight visitors the cost vs. benefit case may not make it practical to implement due to the likely high cost of administering a collection system. At a high-level, issues that may arise include:

- **Regional Variability** - implementing a levy on a locality-by-locality basis means that different areas within the country may have varying 'tax' rates. This could lead to disparities in tourism costs and may influence tourists to choose certain places over others based on price considerations.
- **Competitive Disadvantages** - localities with higher rates may face a competitive disadvantage compared to areas with lower or no levy. Tourists may opt for destinations where the tax burden is lighter, potentially impacting the flow of visitors in specific areas.
- **Administrative Complexity** - Managing and enforcing a levy on a locality-by-locality basis is likely to be administratively complex, this may result in additional costs and implementation challenges over e.g. a national or regional levy.

Alternatively, a national (or regional) scheme may have the following advantages:

- **Consistent and Predictable** - a national levy would provide a more uniform, predictable, and transparent pricing structure for tourists

across the entire country. This would make it easier for tourists to plan their trips and budget for their expenses.

- Equal Impact - with a national implementation, all regions and localities are subject to the same rate, eliminating regional disparities in cost and potentially promoting a more equitable distribution of tourism revenues across the country.
- Simplified Administration - implementing a levy nationally may be administratively simpler than managing different schemes in various areas. This would centralise the collection process and reduce duplication.
- Revenue Generation Potential - a national levy has the potential to generate more significant revenue, as it captures all tourist activities throughout the country, rather than focusing solely on certain areas.

Regardless of whether a levy is implemented on a locality-by-locality basis or nationally / regionally, there are several common potential impacts on the tourism industry and visitor activity:

- Tourist Behaviour - the introduction of a tourist tax can influence tourists' decision-making processes. Higher taxes may lead some visitors to reduce their spending or choose cheaper alternatives, affecting businesses in the tourism sector (for example shorter stays, cheaper accommodation, or stay in a no-levy area and only visit a levy area).
- Tourist Demand - Depending on the rate, some tourists might be discouraged from visiting the country altogether, while others may still visit but adjust their spending patterns accordingly (e.g. spend less on accommodation and more on activities or more on accommodation and less on eating out).
- Revenue Allocation - if effectively managed, the revenue generated from the levy could be reinvested in tourism infrastructure, local development, or environmental conservation, benefiting both tourists and local communities and helping to mitigate negative impacts and promote regenerative tourism.
- Industry or Business Viability - the impact on the tourism industry's overall profitability and viability will depend on how businesses adapt to the levy and any changes in tourist demand. Some businesses might face challenges or negative impacts to varying degrees, while others could thrive.

Overall, the success of the proposed levy will depend on careful consideration of the 'tax' rate, the implementation approach, and how the generated revenue is used. Proper communication with tourists and stakeholders in the

industry is also crucial to manage expectations and mitigate potential negative impacts.

Local Authority Finances and Administration

There are on-going challenges relating to public finances, and in particular the significant range of challenges facing the Local Government sector. Alongside this, East Lothian Council is facing very significant, immediate, and on-going recurring financial challenges associated with supporting population growth. This has placed the Council in a critical financial situation, one that will require difficult and real decisions which may impact on the provision of vital essential services and support for our sectoral growth obligations, including the construction of enabling infrastructure.

In this context the Council will have to consider the introduction of a levy for East Lothian or in collaboration with regional partners to secure funding for support of our local tourism sector, one which is critical to our local economy.

Funding generated from a levy could be used to ensure we were able to continue to invest in infrastructure and support the delivery of tourism activities in East Lothian. This assumes the benefits would significantly outweigh the costs and noting that East Lothian Council has not yet commissioned any research in this area.

Considerations:

- There would be an increased administration burden and cost on both the LA and local businesses. Many of East Lothian's accommodation providers are micro and SMEs and may need support with this added requirement.
- A dedicated Council team would have to identify and manage businesses in scope for levy, and support the collection of charges and follow up debtors, offering end-to-end management of the scheme.
- Implementing and managing the scheme requires not only allocating management staff resources but also technology, and administrative support. Councils will need to ensure they have the necessary expertise and capacity to handle the added workload and responsibilities.
- Councils may need to collaborate with other LAs, tourism organisations, and stakeholders to ensure consistent implementation of the scheme and share best practice. They may also need to coordinate with relevant agencies and authorities for effective enforcement and information sharing.
- Councils may need to develop relationships with booking platforms to manage payments, refunds, and exemptions.

Overall, the Visitor Levy (Scotland) Bill potentially places significant operational responsibilities on Councils, requiring them to set up and manage the scheme, enforce compliance, and handle various administrative and procedural tasks associated with the levy and penalties. Councils would need to fund the costs associated with research into the potential sums that would be raised vs. the costs and to undertake the necessary consultations prior to any decision being made on whether to recommend introduction.

Local accountability and flexibility

If a tourism levy were collected locally, and local tourism officers and the tourism industry had a say in how it was spent, this could offer several opportunities:

- Industry Tailored Investments – local tourism officers and the tourism industry are intimately familiar with the needs and challenges the sector faces. Inviting the industry to contribute to how the levy is spent would enable investments in projects and initiatives that directly address the specific requirements and opportunities within the sector. This could lead to more targeted and effective use of funds.
- Focused Marketing and Promotion – local tourism officers and the tourism industry know best how to market and promote the destination to attract visitors. With control over levy spending, they can allocate resources to marketing efforts that are likely to yield the highest returns, such as advertising campaigns, online marketing strategies, smartphone applications, or participation in national and international travel expos.
- Infrastructure Improvements - tourism businesses often rely on local infrastructure to cater to tourists. By having a say in levy spending, the industry can help prioritise investments in infrastructure improvements that enhance the overall visitor experience, such as upgrading transportation networks, enhancing public amenities, improving digital connectivity, or developing tourist attractions.
- Environmental and Cultural Conservation - sustainable and regenerative tourism is becoming increasingly important. Local tourism officers and the industry can allocate funds from the levy towards initiatives focused on environmental conservation, protecting cultural heritage sites, and promoting responsible tourism practices. This can help preserve the attractions that draw tourists in the first place.
- Tourism Workforce Development – a skilled and knowledgeable workforce is crucial for a successful tourism industry. The levy funds could be used to invest in training programmes, workshops, and educational opportunities for those working in the tourism sector, improving service quality, staff development, and retention.

- Collaborative Decision-Making - involving the tourism industry in levy spending decisions fosters collaboration between the public and private sectors. This partnership can lead to a better understanding of each other's needs and objectives, ultimately leading to more coherent and effective tourism strategies.
- Adaptability and Flexibility - the tourism industry's ability to respond quickly to market changes is often crucial. With input on levy spending, they can react promptly to emerging trends or unexpected challenges, adjusting investments as needed to maintain competitiveness and attractiveness as a destination, e.g. changes in spending patterns following an economic shock, shifts in seasonality, or the impact of government legislation like controls on short term lets.
- Local Economic Growth - when local tourism officers and the tourism industry have a say in levy spending, they can prioritise projects that have a positive impact on the local economy. This can lead to increased employment opportunities, support for local businesses, and overall economic growth.

However, it's essential to strike a balance and ensure that there is appropriate oversight and accountability in how the levy funds are managed. Transparency in decision-making and regular reporting on the allocation and impact of funds can help build trust among stakeholders and the broader community.

Additionally, there should be mechanisms to include input from various tourism-related businesses, not just large entities / specific interest groups and accommodation providers, to ensure representation and inclusivity in the decision-making process.

Ultimately, empowering the tourism industry to influence how a locally collected levy is spent can lead to more strategic and effective use of funds, benefitting both the industry and the local community.

It is suggested with the BRIA that the impact on local markets would have to be modeled / considered by individual local authorities / regions prior to the introduction of a levy. This is likely to be a complex activity where most local authorities will need to procure outside services to undertake such assessments at cost.

If a national approach is not considered appropriate, then given the complexity of assessing, introducing, and administering a TVL it is likely that a regional approach would be a robust and cost-effective method of introduction for many local authorities.

3. Do you agree with the Bill's definitions of a "chargeable transaction" and of "overnight accommodation"? If not, what definitions do you think would be better?

We agree with the definitions, however ministers should consider how 'wild' camping and motor caravans are treated within any proposals, for example would a power exist to collect a levy from those using under-pressure rural or coastal areas for camping, could a levy be applied to motor caravans parked overnight outwith an established camp / caravan site? In both instances this type of activity can put pressure on local infrastructure and resources.

4. What are your views on the Bill's proposal to allow councils to set the levy as a percentage of the chargeable transaction? Are there any other arrangements that you think might be better? If so, please give examples and a short description of the reasons why.

Setting the levy as a percentage of the chargeable transaction would seem reasonable at first glance. However, this could be complicated for the operators and the LAs to calculate and verify. If the levy is based on a percentage of overnight rates, Councils would need to know those variable overnight rates, and the number of guests charged at those variable rates to be able to calculate and verify that the information being provided by the operator was correct. Some businesses charge at a rate that constantly varies depending on demand (i.e. one stay may include a number of differently priced nights).

A fixed rate per occupant per night, no matter the cost of the accommodation, would be easier to administer and collect. This simplified structure would mean that operators would only need to confirm and evidence the number of visitors, not the variable rate charged against each room and the number of related visitors. A set rate per night would be easily understood by all parties. However, there is also a case to be made that a percentage charge would generate income from visitors more in line with ability to pay i.e. those staying at more expensive properties would in turn pay more and give more back to the local tourism area as would a tiered system based on cost of the room per night with a cap in place.

Whether a set fee or a percentage, there should be either a set rate or percentage applicable across the country or a minimum and maximum amount set nationally. Our preference would be for a set rate whether a fixed fee or percentage. This would ensure that there is a fair, equitable, and transparent scheme that is easy to understand for visitors making the decision where to stay and for businesses collecting the levy. For example, a large percentage of tourism visitors do not arrive and stay in one place, they travel across the country and e.g., if they know they will need to add on a set percentage/ fixed fee to the cost of the trip this would be helpful. This would also help the travel trade and the businesses when setting their rates.

There is a potential issue for businesses where administration is controlled centrally, not locally (e.g. head office out with East Lothian). Also, a potential issue where businesses are charged for some of their properties in one area

<p>and not charged in other areas or are charged different amounts, using different reporting and collection systems.</p>
<p>5. What are your views on the absence of an upper limit to the percentage rate (which would be for councils to decide) and that it could be different for different purposes or different areas within the local authority area, but not for different types of accommodation?</p>
<p>Please see earlier responses.</p> <p>We believe that any levy should be easy to administer for local authorities, low cost and easy to understand and administer for businesses, for investment decisions to be managed and influenced locally to take account of local context and need, that it should be easy for tourists to understand, and for the specific and overall benefits to be clearly demonstrable. It is however likely that a levy system that includes significantly differing levy rates or where investments are made for significantly different purposes is likely to lack transparency and increase market distortion.</p>
<p>6. The Bill would allow councils to apply local exemptions and rebates to some types of guests if they choose to. It also allows the Scottish Government to set exemptions and rebates on a national basis where it considers it appropriate. What are your views on the Bill's proposals in relation to exemptions and rebates?</p>
<p>A good example of an exemption category would be people staying overnight to attend hospital treatment. If exceptions were to be identified nationally there would need to be a clear and definitive list of exemptions with clear administration procedures, e.g. would the exempt categories need to evidence exemption prior to booking and making payment? The operation and administration of exemptions could be complex e.g. if medical treatment is unplanned and there is not time to have the necessary evidence and exemption in advance. This would see another level of administrative burden / complexity for the businesses who would need to charge the levy and then go through a process to rebate the individual. The business would need to have a straightforward way of evidencing in that the levy was not collected in their reporting, one that does not impact data protection principles.</p> <p>Whilst the ability to set local exemptions would be welcomed, this is likely to add to the complexity of the overall national approach and negatively affect transparency. This should therefore be carefully considered.</p> <p>It would be prudent to consider whether exemptions or any exemption system may encourage an 'industry of avoidance' that might place added burdens on businesses.</p> <p>The levy would place additional costs onto businesses who were placing workers in overnight stays for example in construction and could contribute to further inflationary pressures sectorally, e.g. construction.</p>

<p>7. Do you agree with the Bill’s requirements around the introduction and administration of a visitor levy scheme, including those relating to consultation, content, and publicity (Sections 11 to 15)? Are there any other requirements you think should be met before any introduction of the levy in a given area?</p>
<p>The guidance around being able to introduce and review and for LAs to be able to introduce a joint scheme across e.g. regions is welcomed. As an alternative to introducing a national scheme, regional working may be a cost effective and efficient way of collecting levy payments and / or collaborating in setting a levy.</p> <p>The proposals around the consultation, content and publicity proposals are acceptable.</p> <p>We agree that the implementation period is correct (18 months) and that it should be set nationally.</p>
<p>8. What are your views on the Bill’s requirements for local authorities in respect of records keeping, reporting, and reviewing? (Sections 16, 18 and 19)</p>
<p>Councils have the expertise to operate the scheme, however there are significant implications for resources which will need to be factored in.</p> <p>This includes setting up the necessary infrastructure, processes, and systems to collect and manage the levy from liable businesses. Councils will be responsible for maintaining a register of liable operators offering overnight accommodation. This involves collecting and updating information about the names of liable operators, addresses of accommodation places, and other relevant details as required by the legislation. We would question how the liable businesses would be identified.</p> <p>There would need to be clear instruction on how often invoices would be issued and what payment terms would be.</p> <p>To ensure that local schemes are transparent and easy to operate clear national guidance relating to levy administration and collection should be provided. The aim should be that there is a simple and transparent / aligned process for businesses across Scotland to engage with.</p>
<p>9. The Bill requires that net proceeds of the scheme should only be used to “achieve the scheme’s objectives” and for “developing, supporting, and sustaining facilities and services which are substantially for or used by persons visiting the area of the local authority for leisure purposes.” Do you agree with how the Bill proposes net proceeds should be used and if not, how do you think net proceeds should be used?</p>
<p>We agree that the net proceeds should only be used for “developing, supporting, and sustaining facilities and services which are substantially for or used by persons visiting the area of the local authority”.</p>

However, we would question the inclusion of the term ‘leisure purposes’, should this be clarified to include business tourism? For example, “developing, supporting, and sustaining facilities and services which are substantially for or used by persons visiting the area of the local authority for leisure purposes (including those traveling for business)”.

The levy income after LA costs have been deducted should be allocated to projects which further the local economy strategy’s tourism objectives, the national Outlook 2030 aims, and the ambitions of NSET.

There is likely to be some scope to interpret the statement, especially in relation to the term ‘substantially for or used by persons visiting’. Published guidance should make interpretation clear and straight forward, for example would this extend to the maintenance of roads and footways in a town or city with significant seasonal visitor footfall, or to pay for additional refuse collections in a popular rural area?

There should be sufficient flexibility to allow for the operation or enhancement of DMMO activities and to support private sector and community projects that will enhance the visitor economy, including the provision of grants.

10. What are your views on the Bill’s requirements for accommodation providers to identify the chargeable part of their overnight rates, keep records, make returns, and make payments to relevant local authorities? Are there any other arrangements that you think would be better, for example, by reducing any “administrative burden” for accommodation providers?

We believe that any levy should be easy to administer for local authorities, low cost and easy to understand and administer for businesses, for investment decisions to be managed and influenced locally to take account of local context and need, that it should be easy for tourists to understand, and for the specific and overall benefits to be clearly demonstrable.

Ample and appropriate input must be gathered from the tourist industry and accommodation providers in Scotland as to the likely impact of any proposed scheme and its administration. Ministers must be confident that the scheme will be beneficial and that participation following local consultation is likely to be straight forward and transparent.

The administrative burden on accommodation providers of any levy scheme is likely to be high. Best practice from the experience of operating visitor levies / tourist taxes should be sought from e.g. around Europe and guidance issued. Business input into the best approach to administering any scheme, the calculation / level of any levy, and systems for collection and enforcement should be considered key, e.g. are there lessons to be learned and examples of best practice or schemes / systems that work well elsewhere that can feed into lowering the burden on the businesses?

Councils would rely on businesses providing accurate information and to verify the amount due. There is a duty on the liable person to make returns to the LA setting out their own assessment of the levy due with 30 days of the end of each relevant period. With separate assessments for each set of premises. The LA can set the relevant period e.g., quarterly and the form that the return requires to take as well as the length of time that records require to be kept and available for audit. There could be multiple relevant periods, different forms and retention times applicable to operators who have premises in various Council areas further complicating and adding more administration burden. Clear guidance and a national approach to administering collection of levies should be explored.

There should be detailed information, instructions, and training made available for businesses to enable them to undertake whatever the final requirements might be. A dedicated national 'helpline' should be set up.

11. Do you have any comments on Part 5 of the Bill (Enforcement and Penalties and Appeals)? Are there any other arrangements that you think might be more appropriate in ensuring compliance and reducing the risk of avoidance?

Councils will need to implement procedures to collect the levy from liable persons. This includes issuing levy demands, ensuring prompt payments, and taking appropriate enforcement actions in case of non-payment or non-compliance.

Councils have the power to impose penalties on certain persons for non-compliance with the legislation. This involves assessing penalties, issuing penalty notices, and managing the process of penalty collection.

Councils will need to set up mechanisms for checking sums due, records of levy collection, records of payment and for reviewing penalties and handling appeals.

Councils will be responsible for conducting reviews of their decisions, enforcement actions, and penalties. They will also need to handle appeals filed by affected parties through the proper channels, such as the First-tier Tribunal.

This will be another significant resource/cost implication for councils that would need to be funded by the levy scheme. Economies of scale could be secured through a National or Regional Schemes.

12. Do you have any comments on the issues that the Scottish Government proposes to deal with in regulations after the Bill has been passed? (Set out in the Delegated Powers Memorandum) Are there any that you think should be included in the Bill itself rather than being dealt with by regulations and if so, why?

The issues the Scottish Government propose to deal with in regulations, per the delegated powers memorandum, appear broadly appropriate and allow for a degree of flexibility following the introduction of the Bill.

In particular, the Scottish Government should take cognisance of feedback from industry stakeholders in this area and consider how any future changes made to the legislative landscape might impact visitors and businesses, e.g. in terms of clarity and administration.

13. Do you have any comments on the accuracy of the estimated costs for the Scottish Government, local authorities, accommodation providers and others as set out in the Financial Memorandum and Business and Regulatory Impact Assessment (BRIA)?

Local Government

The costs set out for local authorities suggests a wide range, it is therefore likely to 'catch all' cases, though we would expect that for all authorities setting up schemes is likely to be towards the higher end of estimates. As noted elsewhere it is likely that operating regionally or nationally in this regard would deliver efficiency savings.

In particular, the T-2 costs are likely to be higher than estimated, especially those associated with 'consultation and decision-making' where this includes the cost of carrying out local economic analysis prior to a decision to implement, and the cost of consulting fully.

Accommodation providers

The data and assumptions used in Annex E of the BRIA should be re-tested with input from the sector / accommodation providers and / or sector representatives. In particular, the relevance of the data and assumptions used for micro / small accommodation providers (E.3 scenario B), in particular regarding the degree to which collection and payment might be automated, the time needed to 'learn' any new levy system, the impact of managing enquires for guests, the impact of managing any exemptions, and the impact of operating across local authority boundaries.

REPORT TO: East Lothian Council
MEETING DATE: 29 August 2023
BY: Executive Director for Council Resources
SUBJECT: Work of Council Champions 2022/23

7

1 PURPOSE

- 1.1 To advise Council of the work of the Council Champions during the previous 12 months.

2 RECOMMENDATIONS

- 2.1 To note the work of the Council Champions in 2022/23; and
- 2.2 To consider whether there are any additional areas that would benefit from the appointment of a designated Champion.

3 BACKGROUND

- 3.1 At its meeting on 28 June 2022, the Council appointed a number of Elected Members to act as Champions for specific sections of the community or ranges of activities. Those Champions were as follows:

- Enterprise – Councillor Bennett
- Young People – Councillor Ritchie
- Older People – Councillor McFarlane
- Armed Forces and Veterans – Cllr McMillan

In addition, at its meeting on 23 August 2022, the Council appointed Councillor McGinn as Champion for the Voluntary Sector.

- 3.2 The purpose of the Champions is to act as a positive focus for the local community at Elected Member level in respect of the relevant section of

the community or range of activities so as to ensure that full consideration is given to the impact of Council activities and decisions upon that section of community or range of activities. The role profile for Champions, agreed by Council, required an annual report be prepared on the work undertaken for consideration by Council.

- 3.3 The work undertaken by the Champions is set out Appendix 1 to this report. In addition to consider the work undertaken by the existing Champions, Council is asked to consider whether there are any additional groups of the community or areas of activity that would benefit from the appointment of a designated Champion.

4 POLICY IMPLICATIONS

- 4.1 None.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy

6 RESOURCE IMPLICATIONS

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

7 BACKGROUND PAPERS

- 7.1 Appendix 1 – Work undertaken by Champions 2022/23

AUTHOR'S NAME	Morag Ferguson
DESIGNATION	Head of Corporate Support
CONTACT INFO	mferguson@eastlothian.gov.uk
DATE	9 June 2023

WORK UNDERTAKEN BY COUNCIL CHAMPIONS 2022/23

Councillor Bennett – Champion for Enterprise

My first year as Champion has seen me in a role of “apprentice” and “inductee”. I have met and shadowed officers and fellow Councillors, learning about the work supporting businesses during the COVID-19 pandemic and helping them with post-COVID recovery.

I have attended Connected Economy Group (CEG) meetings, and listened to the thoughts, opinions and ideas of partners and key stakeholders: Visit Scotland, Scottish Enterprise, Mid and East Lothian Chamber of Commerce and the Federation of Small Businesses.

I have learned of the hard work our Economic Development team carry out in their support of businesses in key sectors allowing them to set up and grow. I shall participate in the development of our Economic Strategy, to build on the work since the first Strategy was published in 2013.

I have seen the work of our business advisors and Business Gateway staff, with their “clinics” around the county being welcomed by all who attend them for advice and support.

East Lothian Investments and East Lothian Land continue to engage with new and growing companies with loans and acquisition of land to promote enterprise and innovation. Tourism, golf events, and Food & Drink are key sectors in the enterprise strategy. Our Estates and Procurement teams together with Climate Change officers and others help promote all that East Lothian Council can offer by way of contracts, building and land opportunities.

Developments at QMU, Blindwells and Cockenzie will further encourage enterprise and innovation to help make East Lothian prosper. I very much look forward to growing into my role and continuing to support to business and enterprise within East Lothian, adding value and wellbeing for our county and communities.

Councillor Ritchie – Champion for Young People

A lot of my work this year has been learning what the Council does to support and engage with young people, establishing relationships with our youth workers, and working out how we can do more going forward.

I have sought to champion the voice of young people in every Council meeting, asking relevant questions and trying to ensure young people and their needs are part of debates on a range of issues.

Particular examples of this have included drawing attention to the youth perspective on divestment and seconding the motion put to Council asking for action on this; participating in the debate on banning single use vapes to highlight the impact of these on young people; and asking questions as to how we have engaged our young people in consultation and budget processes.

I have attended meetings with our Specialist Youth Workers and Community Development Officers to hear about the valuable and important work they are doing and have begun to look at how we can better support them.

I have also met with our MSYPs to hear about local issues that matter to young people and have started to look at how we can have more of a youth voice in our local decision-making process through good work already happening on our youth forums.

I was delighted to attend many concerts across the county showcasing the talent of our young people including the Instrumental Music Service's concert in support of MacMillan Cancer Support.

I have supported colleagues in efforts to bring local job and training opportunities for our young people, particularly the work of Cllr Colin Yorkston to bring apprenticeships to the Wallyford and Blindwells developments.

I have also visited organisations in our communities doing work with our young people, like Heavy Sound and the Pennypit Trust's holiday lunch clubs.

I look forward to building on this work in the coming year, working with our staff to support all young people and finding more ways to meaningfully engage the young people of East Lothian in our decision making.

Councillor McFarlane – Champion for Older People

I have worked to make sure that the Council invest in care in the community to help keep older people in their own home, if this is their preference.

I attended the AGM of North Berwick Day Centre on 26 September where the Directors and Trustees were appointed.

I ensured that the residents of North Berwick Day Centre were provided with copies of a questionnaire so their views could be gathered on the Edington Hospital closure – and could be relayed to Paul McLennan MSP at a subsequent meeting.

I have attended a meeting of day centres and discussed concerns, including the cost of living, outreach, pub visits, stroke groups. Three new Directors were appointed.

I attended two tea dances held at North Berwick Rugby Club for older people with dementia organised by Aging Well East Lothian.

I have publicised Aging Well East Lothian activities on my Councillor website, e.g. walking hockey, walking football.

I attended the Scone Café at Abbey Church, North Berwick held every week for dementia sufferers.

I attended Older People's Champion Gatherings on 8 February and 10 March 2023 and, on 16 March 2023, I attended the Age Friendly Communities Event at the Scottish Parliament hosted by Christine Grahame MSP.

Councillor McMillan – Champion for Armed Forces and Veterans

I was honoured to accept the appointment of Veterans and Reserves Champion. I had worked closely with Councillor Goodfellow in the previous administration and saw the commitment he made and the work he did throughout the county working closely with veterans.

Since May 2022 I have continued to attend Veterans Breakfast in Prestonpans to liaise with the organising committee and offer engagement and support to individuals on a variety of Housing, employment, personal and family issues. A new Musselburgh Veterans Club has recently opened.

I attended a number of external meetings with Veteran's Housing Scotland, CWGC at cemeteries in East Lothian for Graves Week and in Edinburgh Castle for the launch of CWGC Scottish Charity.

I visited the Lady Haig Poppy Factory in Edinburgh in November where I met staff and purchased wreaths and poppy mementoes to take to Champigny Sur Marne. I was proud to lay a wreath at the memorial in the town, the site of the Battle of the Marne in 1914 and 1918 where my grandfather (2/8 Royal Scots had served). I met French, German and Italian Mayors and presented poppy badges and pencils to them and explained the symbolism to French school pupils.

In my role as Champion I sit on the East Lothian Armed Forces Covenant Group. Chaired by the Head of Community & Partnerships, this group has a wide membership of 3rd sector organisations, the Lothian & Borders Yeomanry, Veterans Scotland, Poppy Scotland and the Health & Social Care Partnership. The group has recently revised its Action Plan so that it is reflective of the Armed Forces Covenant Duty and they have recently reconvened an Armed Forces Employee Network.

My meetings and encounters have enabled me to see the constructive support veterans and veterans organisations give each other. Those who have served in our forces continue to serve in our communities, in sports clubs, foodbanks and lend their skills to society in so many ways through their employment in public and private sector and through volunteering.

I was particularly honoured to be invited to attend a ceremony in Glasgow to mark the award of new colours to 602 Reserve Squadron RAF. The squadron has long

links to East Lothian, claiming the first enemy aircraft to be shot down in WW2 over the Lammermuirs.

We also noted with pride and sadness the death of Mrs Margaret Runcie who had served with the Wrens in WW2. Margaret was a regular and lively member of the WRNS Association and well known in our county.

I continue to meet with Cabinet Secretary and other Veterans Champions to maintain and build links. Regular meetings are held with stakeholders to work towards the Gold Standard of the Veterans Charter, with all recognition to Sharon Saunders and Stephanie Kerr.

The Council marked Armed Forces Day Monday 19 June.

Councillor McGinn – Champion for the Voluntary Sector

The opportunity to champion and support the voluntary sector across East Lothian is something I was honoured to accept. It seems to have been a bit of a slow burner with the pressures of other new roles impacting greatly on my time; it is, however, a role I am determined to engage in to the best of my ability for the remainder of my period in this position.

As Elected Representatives, we are eternally grateful for the roles played by members of the community who volunteer in great numbers across East Lothian. They make up and support many organisations such as Community Councils, Parent and Carer Councils, Area Partnerships, Day Centres and our Food Networks, to name but a few.

As we emerged from the spectre of the global pandemic I was able to play a key role in supporting volunteers who helped to keep our communities supported and fed. My work with Team Elphy is one such role I will never forget and I would pay tribute to all of the resilience groups that sprung up throughout East Lothian in our time of need.

I have supported the work of Roots and Fruits, East Lothian as they continue to make fresh fruit and vegetable available to those in poverty across the county and was able to support the provision of their small community garden space which will help people come together and reduce isolation.

I was delighted to be invited along to a number of children's galas across my ward and very proud to be asked to deliver the community address at Whitecraig Children's Gala. Thankfully we have seen almost all of our galas return this summer, supported by volunteers across our towns and villages - a superb effort by everyone involved.

I have engaged with Volunteer Centre East Lothian, a key partner in providing support and building empowered communities throughout the county. Engagement with VCEL will be a growing part of my role in the years ahead. A few months ago I attended the Inspiring Volunteer Awards organised by VCEL;

this was simply a wonderful celebration of the passion commitment and joy volunteers bring to every corner of East Lothian and to share this evening with them was simply wonderful

Undoubtedly a highlight from the past year for me was attending a presentation ceremony where Katy Pollock and her team at Home Start received the Queen's Award for Voluntary Service, a fitting tribute and recognition for all the support given to young families in East Lothian by their volunteers over the past 20 years and more.

I realise it is not possible to name check every volunteer, individual or group across the county; however, I am sure we are all indebted to the service they give and would wish to say a heartfelt thanks to each and every one. My aspiration is to continue to engage across all areas of East Lothian and to promote the fantastic work they do.

As someone who has volunteered in my own community for over 20 years I believe passionately that it is one of the great acts you can do for others. I would finish with a quote. I cannot claim it as my own but I fervently believe it encompasses the feelings that volunteering brings.

"Be kind and remember, integrity is doing the right thing even when no one is watching".

MOTION TO EAST LOTHIAN COUNCIL
29 August 2023

Musselburgh Flood Protection Scheme (MFPS) – Note of Progress and Request for Information

8

1. East Lothian Council notes:
 - a) The recent exhibition event as part of the MFPS consultation, which was attended by almost 1000 people, and has generated a large amount of written and verbal feedback which is still being worked through by the Project Team;
 - b) That there is significant concern among some of the community, in Musselburgh and in the wider area, about the scale, cost and environmental impact of the scheme;
 - c) That Councillors have an important role to play in listening to constituents and applying scrutiny to the proposals; equally, Councillors have a responsibility to ensure we have sought out all relevant information and are making decisions on an informed basis;
 - d) That the design as presented in June was a draft which is still in progress, and that the final outline design will be presented to Council in January 2024 to be debated and voted on.

2. East Lothian Council requests that the following reports be brought to a full Council meeting at the earliest opportunity, to allow Members to read, debate and note their contents:
 - a) The scientific report from the Eddeleston Water site visit to explore Natural Flood management
 - b) The report from Dynamic Coast on expected changes to the coastline in the future.

3. And that the following points be included in the papers published ahead of the January meeting which will vote on the Scheme:
 - a) Full flood maps of the extent of the flood scenarios chosen for the Scheme as presented at that time;
 - b) To the extent that these are available to the Council and can be shared, the Council would like EIA submissions from groups with expertise in the ecology of the area. For example, this might include the RSPB, the Seabird Centre, Restoration Forth, and the Scottish Wildlife Trust.

Proposed by (name): Councillor Shona McIntosh
Date: 14 August 2023

Seconded by (name): Councillor Lyn Jardine
Date: 14 August 2023

Received by (name of officer): Lel Gillingwater, Team Manager, Democratic and Licensing
Date: 14 August 2023

REPORT TO: East Lothian Council

MEETING DATE: 29 August 2023

BY: Executive Director for Council Resources

SUBJECT: Submissions to the Members' Library Service,
12 June – 14 August 2023

9

1 PURPOSE

- 1.1 To note the reports submitted to the Members' Library Service since the last meeting of Council, as listed in Appendix 1.

2 RECOMMENDATIONS

- 2.1 Council is requested to note the reports submitted to the Members' Library Service between 12 June and 14 August 2023, as listed in Appendix 1.

3 BACKGROUND

- 3.1 In accordance with Standing Order 3.4, the Chief Executive will maintain a Members' Library Service that will contain:
- (a) reports advising of significant items of business which have been delegated to Councillors/officers in accordance with the Scheme of Delegation or officers in conjunction with Councillors, or
 - (b) background papers linked to specific committee reports.
- 3.2 All public reports submitted to the Members' Library are available on the Council website.

4 POLICY IMPLICATIONS

- 4.1 None

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – None
6.2 Personnel – None
6.3 Other - None

7 BACKGROUND PAPERS

- 7.1 East Lothian Council's Standing Orders – 3.4

AUTHOR'S NAME	Lel Gillingwater
DESIGNATION	Team Manager – Democratic Services & Licensing
CONTACT INFO	lgillingwater@eastlothian.gov.uk x7292
DATE	14 August 2023

**MEMBERS' LIBRARY SERVICE RECORD FOR THE PERIOD
12 June to 14 August 2023**

Reference	Originator	Document Title	Access
55/23	Executive Director for Council Resources	SRR: Review of Information Case Management Service & Finance Unit	Private
56/23	Executive Director for Council Resources	Education Team – Creation of Quality Improvement Manager (Equity and Inclusion)	Private
57/23	Executive Director for Council Resources	Staffing Report for the Restructuring of 7 Nursery Settings	Private
58/23	Head of Corporate Support	East Lothian Integration Joint Board – Named Substitutes	Public
59/23	Head of Infrastructure	Grant of Servitude Rights to Lay a Drainage Pipe and Footpath over Land at Main Street, Elphinstone	Private
60/23	Head of Infrastructure	Proposed Mechanical & Electrical Upgrades at Preston Tower Primary School, Prestonpans	Public
61/23	Head of Infrastructure	Johnnie Cope Road, Tranent – Responses to Consultation	Public
62/23	Head of Infrastructure	Sale of Commercial Premises in Bush Street, Musselburgh	Private
63/23	Head of Infrastructure	Assignment of the Lease for Monktonhall Golf Club, Musselburgh	Private
64/23	Executive Director for Council Resources	Service Review – Transport Internal Bus Provision	Private
65/23	Executive Director for Council Resources	SRR: Creation of Post for Training Co-ordinator, Waste Services	Private
66/23	Executive Director for Council Resources	East Lothian Council Draft (Unaudited) Annual Accounts 2022-23	Public
67/23	Head of Corporate Support	Establishment Changes for June 2023	Private
68/23	Executive Director for Place	Recovery & Renewal Plan Final Update	Public
69/23	Head of Infrastructure	Acquisition of 6.707 hectares or Thereby of Land at Markle, East Linton	Private
70/23	Executive Director for Council Resources	Creation of an HR Adviser – Equalities, Inclusion & Diversity	Private
71/23	Head of Development	Development Plan Scheme No. 14 (2022)	Public
72/23	Head of Communities	East Lothian Advice Consortium Annual Report 2022-23	Public
73/23	Executive Director for Council Resources	Service Review Report - Closure of Eskgreen and Changes to Crookston Staffing Structures	Private
74/23	Executive Director for Council Resources	On-call Requirements for Homecare Staff	Private

75/23	Executive Director for Council Resources	Tots & Teens Service Review	Private
76/23	Executive Director for Council Resources	Adoption of the Revised Integration Scheme for East Lothian Integration Joint Board 2023	Public
77/23	Executive Director for Council Resources	Finance Service Review	Private
78/23	Head of Infrastructure	Sale of Former Crossroads Schoolhouse, Crossroads by Ormiston	Private
79/23	Executive Director for Council Resources	Staffing Report for Redesign of Olivebank within Children's Services	Private
80/23	Service Manager – Procurement	ELC Procurements for Q1 of 2023-24	Public
81/23	Head of Corporate Support	Establishment Changes for July 2023	Private

14 August 2023