

**MINUTES OF THE MEETING OF
EAST LoTHIAN COUNCIL**

**TUESDAY 31 OCTOBER 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 C Cassini
Councillor F Dugdale
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 L Byrne, Head of Children's Services
Ms E Dunnet, Head of Finance
Ms M Ferguson, Head of Corporate Support
Mr D Hood, Head of Operations (Health & Social Care)
Ms N McDowell, Head of Education
Ms W McGuire, Head of Housing
Mr T Reid, Head of Infrastructure
Ms S Saunders, Head of Communities
Mr S Cooper, Team Manager – Communications
Ms F Currie, Committees Officer
Ms A-M Glancy, Service Manager – Corporate Accounting
Mr M Hayman, Project Officer - LHEES
Ms J Lothian, Team Manager – Strategy, Policy & Development
Mr C Price, Project Manager
Mr A Stubbs, Service Manager – Roads
Mr P Vestri, Service Manager – Policy, Improvement and Partnerships
Mr L Wright, Emergency Planning, Risk and Resilience Officer

Visitors Present:

Mr J Baxter (Jacobs) (for Item 4)

Clerk:

Mrs L Gillingwater

Apologies:

Councillor L Bruce
Councillor D Collins

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.

Order of business – Urgent Item of Business

The Provost advised that an item of urgent business had been submitted by the Executive Director for Council Resources (which had been circulated to Members), concerning an application to the Musselburgh Common Good Committee. The Provost ruled that he was prepared to accept this urgent item on the grounds that revised information on the balance of the Musselburgh Common Good grants budget had been provided following the meeting of the Committee on 3 October, and that the Committee had to reconvene to consider two items of business in light of this revised information. This reconvened meeting did not take place until after the Council papers had been prepared and issued. He advised that this item would be heard in private as the final item of business.

Prior to the commencement of business, the Provost congratulated Councillor McGuire on his new role as Leader of the Conservative Group.

1. MINUTES FOR APPROVAL

The minutes of the following meeting were approved: East Lothian Council, 29 August 2023.

2. FINANCE UPDATE

A report was submitted by the Executive Director for Council Resources, providing an update on the financial position facing the Council, including an update on the in-year financial position at the end of August 2023, agreed mitigations and capital programme review, as well as the future financial outlook.

Sederunt: Councillor Hampshire lost connection and left the meeting.

The Head of Finance, Ellie Dunnet, presented the report, updating Members on the current financial position. She reported that, although there had been an improvement on the Period 3 performance, the Council's finances remained in an unsustainable position, with a forecast end-of-year overspend of £10.3m. She highlighted the pressures on General Services (as shown in Sections 3.7-3.10 of the report and in Appendix 1) and outlined the impact on the capital programme. She also provided an update on the mitigation measures approved by the Council, and of the position with the Housing Revenue Account (HRA).

Councillor Jardine sought further information on the situation with the Integration Joint Board (IJB), given the pressures facing the Council, and also of the impact of the changes to the Scottish Welfare Fund (SWF), particularly on people who could no longer access that fund. Ms Dunnet assured her that officers were working with IJB colleagues to improve the financial position. She noted that the Council's share of the savings were considered to be deliverable on a recurring basis, although some of these savings would not be achieved until 2024/5. As regards the SWF, Ms Dunnet advised that since the changes took effect, there had been an increase in requests to review decisions on applications and that officers were working with customers to ensure they were supported. The position with this fund would continue to be monitored.

Councillor Forrest asked if, due to pressures on services, the IJB overspend was likely to rise again. Ms Dunnet undertook to get further information from IJB colleagues and report back to Members on this; she did point out that there was an increase in demand for services across the Council, exacerbated by the cost-of-living crisis and inflation.

Councillor Forrest also asked about the impact of the removal of the 'local connection' condition on homelessness figures. Wendy McGuire, Head of Housing, reported that there had definitely been an impact as a result of this change, with an increasing number of people seeking housing in East Lothian from outwith the area. She added that she had highlighted this issue to the Scottish Government.

Expressing disappointment at the Council's failure to secure Learning Estate Improvement Plan (LEIP) funding for a new primary school at East Linton, Councillor Ritchie asked about the implications of this. Ms Dunnet indicated that the capital programme would need to be reviewed and an affordable solution found for East Linton that would align with the Learning Estate Strategy.

Responding to questions from Councillor Menzies on developers' contributions, net borrowing and voids, Ms Dunnet assured Members that all Section 75 Agreements (which cover developer contributions) were monitored, and that she could provide further information to them on this. As regards net borrowing and expenditure not being taken forward, she highlighted Section 3.19 of the report, which provided a list of projects currently on hold, noting that pausing these projects would result in a reduction in borrowing. On voids, Ms McGuire explained that major voids were now being separated from standard voids, which should improve the turnaround times on standard voids, and that in some cases repairs were being carried out to properties post-allocation.

Councillor Akhtar highlighted the forthcoming winter challenges for the IJB and asked for further information on the planning for this. She also asked if there had been any feedback from the Scottish Government in response to Councillor Hampshire's letter about the Scottish Welfare Fund situation. On the IJB winter plan, Fiona Wilson, Director of Health and Social Care, reported that a small amount of additional funding had been provided, most of which would be allocated to the 'hospital at home' and ambulances services. She advised that resilience plans were in place, working in partnership with Midlothian Council. She also noted that there was no one currently waiting for a hospital bed in East Lothian. Concerning the SWF, Ms Dunnet informed Members that officers continued to work with internal and external stakeholders as regards the impact of the SWF changes, and that crisis grants were continuing to be funded. She would keep Members informed of the situation.

Opening the debate, Councillor McFarlane welcomed the commitment to the improvements at Aberlady Primary School.

Councillor McIntosh remarked on the absence of a proposal to reduce spending on the Musselburgh Flood Protection Scheme, suggesting that this project could be achieved on a smaller scale than currently proposed. She welcomed recent comments made by Councillor Hampshire on the First Minister's proposed council tax freeze [for 2024/5], confirming that the

Scottish Greens were not in favour of the freeze as it could harm local services and it went against the Verity House Agreement.

Councillor Dugdale stressed that staff were working hard to meet the demands on Children's Services. She also highlighted the need to provide new schools to meet the growing population, commenting on the challenges that growth can have on Council services.

On housing, Councillor Forest paid tribute to the efforts of staff to turn void properties around quickly and to tackle homelessness.

Councillor McGinn concluded the debate by emphasising the Administration's commitment to bring the Loch Centre back into use as quickly as possible, but he accepted that this would be challenging giving the costs involved.

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

Decision

The Council agreed:

- i. to note the outcome of the Period 5 review of financial performance against approved budgets and the significant underlying financial pressures faced by the Council;
- ii. to note the impact on the Council reserves if the projected revenue overspend materialises;
- iii. to note the severity of the financial risks set out in the report that may impact on the position;
- iv. to note the update on mitigation measures approved by the Council in August 2023;
- v. to agree to pass on a share of any new additional Scottish Government funding for pay to the IJB;
- vi. to agree the variations to the revised capital programme;
- vii. to agree to delegate authority to the Executive Director for Council Resources (Chief Financial Officer), in discussion with Group Leaders, to agree revised final variations to the capital budget; and
- viii. to note that a further review of the capital programme would be required to offset the increased costs of the education capital projects and that this would be brought to Council at a later date.

3. CORPORATE RISK REGISTER

A report was submitted by the Executive Director for Place advising of the continued substantial levels of heightened risk.

The Head of Communities and Partnerships, Sharon Saunders, presented the report, advising that there were currently seven Very High Risks. She assured Members that the situation was being monitored closely by officers. She also pointed out that ten services were currently operating in Business Continuity measures, and that work was ongoing to assess risks associated with the recent storm damage. A full update on the Corporate Risk Register would be presented to Council in December

Sederunt: Councillor Hampshire returned to the meeting.

In response to a question from Councillor Jardine as regards the joint working with Adaero, Wendy McGuire, Head of Housing, explained that this project aimed to delivery crisis and purpose-built accommodation and would assist officers on call to deal with emergency situations. She would keep Members informed of progress.

Councillor Gilbert asked if sea defences would be included in any work on coastal erosion. Tom Reid, Head of Infrastructure, confirmed that sea defences were covered, but that additional work was required. He made reference to forthcoming funding from the Scottish Government to deliver an entire coastal management system which would allow officers to identify the areas at greatest risk. On the recent storm which affected the harbours at Dunbar and North Berwick, he advised that recovery work was now underway, and that Members would be informed of progress. The Provost thanked officers for their recovery efforts following the storm, and welcomed the multi-agency response to the situation.

Councillor McLeod requested that a copy of the letter sent to the Housing Minister on recent legislative changes should be provided to all Members.

In response to questions from Councillor Forrest, Ms McGuire added that the cost-of-living crisis was having an impact on the private rented sector, with some landlords looking to sell their rented properties or increase rents, which then had an impact on the availability of housing stock. She undertook to provide Members with more information on this.

Noting that he would have made this comment during the previous item, when he had lost connection to the meeting, Councillor Hampshire expressed concern about the imminent council tax freeze, doubting that this would be fully funded by the Scottish Government. He reminded Members that the legal responsibility for setting council tax sat with local authorities, warning that the Council would have to choose either to make significant budget cuts or consider increasing council tax. He noted that the view of all 32 council leaders was that councils should always have the opportunity to take decisions to reduce services or increase council tax. The current position, via CoSLA, was that the First Minister had indicated that the Scottish Government would fund the council tax freeze but leave it to individual councils to decide whether to increase council tax, without penalty.

Sarah Fortune, Executive Director for Council Resources, confirmed that councils had a legal responsibility to set council tax, and that the recent announcement by the First Minister had removed a critical income stream for the Council. She advised that she had written to the Permanent Secretary at the Scottish Government setting out her concerns regarding the council tax freeze, and that officers would continue to highlight the impacts of underfunding and growth in trying to meet the Council's statutory obligations. She reassured Members that East Lothian was a well-run council, with good management of finance and risk, but that external factors had increased the scale of the financial challenge. All efforts would be made to raise the issues facing the Council through CoSLA, the Scottish Government, SOLACE, and other bodies.

Councillor Ritchie thanked Connected Communities staff for their work in the Preston, Seton and Gosford ward, despite the current workforce challenges.

Councillor Akhtar made reference to the high levels of demand on services. She stressed the need to continue raising the issues facing the Council to decision-makers, remarking that the Risk Register demonstrated the need for fairer funding.

Councillor Hampshire pointed out that the Council had delivered significant growth across all communities, which had put pressure on all services, and that the revenue consequences had not been met through the government grant. He made reference to meetings with ministers

and information provided to the Scottish Government on the challenges facing the Council, and stressed that if the Scottish Government was serious about growth then it had to be properly funded. He emphasised that the Council was doing everything in its power to deliver services, but that the situation was now very serious.

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

Decision

The Council agreed to approve the Corporate Risk Register, and in doing so to approve that:

- i. the Corporate Risk Register would be maintained as a 'live' document which would 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;
- ii. the relevant risks had been identified; and
- iii. the significance of each risk was appropriate to the current nature of the risk;
- iv. the total profile of corporate risk could 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
- v. although while the 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.

4. THE EDDLESTON WATER PROJECT SITE VISIT TO EXPLORE NATURAL FLOOD MANAGEMENT

A report was submitted by the Executive Director for Place presented the lessons learned report prepared by the Musselburgh Flood Protection Team, which reported on the Scottish Government's Eddleston Water Natural Flood Management Research Project and the evolved position on Natural Flood Management (NFM) within the Musselburgh Flood Protection Scheme (the Scheme). The report complied with the instruction of the Motion approved by the Council in August 2023, which requested that 'the scientific report from the Eddleston Water site visit to explore Natural Flood Management is brought to a full Council meeting to allow Members to read, debate and note the contents'. The report also recommended new actions considered to be the best way to advance Natural Flood Management and Nature-based Solutions (NbS) over the long term in the River Esk catchment.

Alan Stubbs, Service Manager for Roads, presented the report, reminding Members of the progress made to date on the Scheme, and highlighting the key aspects of the report on the Eddleston Water Project (as set out in Appendix 1 to the report).

Councillor McIntosh asked for further details on proposed natural flood management actions, and about engagement with individuals and organisations across the River Esk catchment regarding identifying new NFM options. She also asked about a point in the report concerned with increased flood risk. Mr Stubbs indicated that if those NFM actions were approved, the Council would be identified as the delivery lead for those actions going forward and it would be responsible for delivering on the action; it would be expected that the Council would work in partnership with Midlothian Council. Conor Price, Project Manager, advised that substantial work had already been done across the Esk catchment with landowners and other interested parties, including Midlothian Council, Nature Scot, SEPA, the Forth Rivers Trust and the Esk

Valley Trust. On natural flood management, he believed that NFM had now been maximised within the Scheme. Jim Baxter of Jacobs made reference to the section in the report related to the limitations on scaling up NFM to a catchment the size of that of the Esk, and he provided a detailed technical explanation on this aspect.

In response to questions from Councillor Jardine, Mr Baxter explained that there was no evidence to demonstrate how effective NFM alone would be in the case of Musselburgh, but that he anticipated that it would only deliver c.5% of the protection required. He added that for NFM to be the sole solution for Musselburgh, it would need to be 10 times more effective than any other NFM project delivered to date. He also spoke of the risks of NFM solutions in relation to the weather, the response of trees, ground conditions, etc., and also around landowner consent. In short, NFM on its own would not provide a solution for Musselburgh. Mr Baxter provided a wider explanation about nature-based solutions and how they work in various locations. He also referred to the challenges of delivering NFM solutions as part of the Scheme, noting that the Tweed Forum had played a significant role in the success of the Eddleston project, and that there was not currently an equivalent organisation to take up that role in the Esk catchment.

Councillor Forrest remarked that the Esk already had natural water collection points, and asked if landowner permission would be required for the creation of further collection points further up the river. Mr Baxter advised that NFM would need to be considered on a whole catchment basis, and that the majority of collection points would be in Midlothian; however, this was not a reason not to deliver it.

Councillor Hampshire commented that that only part of the solution was covered by this report, and that it would be easier for Members to see the entire plan. He noted that the impact of climate change could result in more natural solutions being needed in future. Mr Price made reference to the reports to Council in August and October, which identified a range of scenarios to protect against climate change, adding that the Scheme would need to include physical and sustainable interventions, and that future work would need to be done to address the impact of climate change.

Responding to a question from Councillor Menzies on NbS and NFM, Mr Baxter provided an explanation about the differences between reducing the peak and delaying the peak of the flow, and the implications for both. On engagement with the community, Mr Price assured Members that lots of work had been done with the public, but that he appreciated some of the information was very technical. He added that natural solutions would be included in the finalised Scheme, including within the town itself.

Opening the debate, Councillor McIntosh welcomed the recommendation that the flood risk management plans could be updated, and that natural flood management would be pursued within the catchment. She was, however, disappointed that there was no evidence available regarding large-scale benefits of natural flood management, as she had hoped this would play a larger role in the protection of Musselburgh. She was also disappointed that no further sites had been identified. She also suggested that a more flexible approach should be adopted, and that a mixed design involving nature-based solutions should be considered, and she urged the project team to be as ambitious as possible.

Councillor Forrest also welcomed the report, noting that the scheme would need to be kept under development, and that it was important to retain the support of the community.

Councillor Hampshire accepted that this was a challenging issue, especially for local Members. He welcomed the commitment to look at natural flood management as part of the scheme, noting that this alone would not protect Musselburgh. Referring to the recent flood event in Brechin, he highlighted the need to implement a flood protection scheme in Musselburgh. He looked forward to seeing the complete plan in due course.

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

For (14): Councillors Akhtar, Bennett, Dugdale, Findlay, Forrest, Hampshire, McFarlane, McGinn, McGuire, McIntosh, McLeod, McMillan, Ritchie, Yorkston

Against (6): Councillors Allan, Cassini, Gilbert, Jardine, Menzies, Trotter

Abstentions (0)

Decision

The Council agreed:

- i. to note the content of the lessons learned report from the Eddleston Water site visit to explore NFM, provided in Appendix 1 of the report;
- ii. that further investigation of the potential for NFM measures in the River Esk catchment is undertaken through a new action on the Local Flood Risk Management Plan (Forth Estuary) processes and not the Scheme;
- iii. to encourage and support the formation of a new independent body or equivalent, like Tweed Forum, for the River Esk catchment, which would be capable of advancing both NFM and NbS for the relevant local authorities, the regulatory organisations, other interested organisations, and community groups within that area of interest; and
- iv. to note that the Scheme would continue to develop an Outline Design that includes maximum NbS as part of the design of the new physical defences in Musselburgh. This process was currently part of the ongoing Environmental Impact Assessment (EIA) process which was being undertaken and would include all new obligations deriving from National Planning Framework 4 (NPF4), which was published in early 2023.

5. DRAFT LOCAL HEAT AND ENERGY EFFICIENCY STRATEGY

A report was submitted by the Executive Director for Place presenting the draft Local Heat and Energy Efficiency Strategy for approval, prior to a further phase of stakeholder consultation, before submitting it for approval in February 2024.

Martin Hayman, the Local Heat and Energy Efficiency Strategy Project Officer, presented the report, advising that the Council was obliged to establish a heat and energy efficiency strategy to meet its statutory obligations. He explained that a five-year delivery plan would run in parallel with the strategy, and that the final version of the strategy would be presented to Members for approval in February. Mr Hayman noted that the Council had been invited to take part in a mentoring programme in Denmark, funded by the Danish Government, which would involve viewing projects that were similar to the Council's proposals, and that knowledge gained from this visit would be incorporated into the final version of the strategy. He also referred to an event taking place on 17 November, set up by Paul McLennan MSP, to which all Members would be invited.

In response to a question from Councillor McLeod as to the type of support for households, Mr Hayman advised that guidance would be available for all, and that there may also be financial support for some people.

Councillor Hampshire expressed concern about the funding of the strategy, and asked if discussions had taken place with the Scottish Government about this. Mr Hayman assured Members that the Scottish Government had set aside significant funding that councils could apply for. He noted that funding was also available for feasibility studies, which could be

carried out during the consultation period. He agreed that government funding would be required to deliver the strategy. He also advised of an event taking place in November focused on funding and investment, and he urged Members to attend, if possible.

Councillor McIntosh sought further information about the mentoring programme in Demark. Mr Hayman explained that this programme had been set up by the Danish Government to help other European countries decarbonise. This would provide an opportunity to look at new technologies, as well as political aspects and building resilience. He noted that an officer and a senior Member of the Council would be attending.

Councillor Akhtar asked how delivering the strategy would be achieved, given the growth in East Lothian and staff capacity within the Council. Mr Hayman accepted that the plans were ambitious, and that there would be challenges in relation to skills, and infrastructure, but he believed that the Council was in a strong position to engage with the right people at an early stage. He added that the only way to tackle fuel poverty was to find a cheaper way to heat homes, and that this had to be done without pushing people into further poverty, hence the reason for looking at heat network proposals on a large scale.

Opening the debate, Councillor Jardine praised Mr Hayman's vision and ambition. She commented that this strategy was not just about heat/energy, but about the wider economic opportunities that would be provided.

Councillor Forrest welcomed the debate around air source heat pumps and highlighted the Council's work on insulation of its housing stock to help tackle fuel poverty.

With reference to current high fuel costs, Councillor Hampshire stressed the need to find a solution to heating homes, but that this should be part of a national strategy. He believed that the strategy could not progress without government support and investment.

Councillor McIntosh pointed out that 87% of properties required to be decarbonised, and that investors were now focusing on new technology rather than fossil fuels. She stressed the need to rely less on oil and gas and to reduce the amount of carbon dioxide in the atmosphere. She was encouraged by the work undertaken by Council officers on the strategy.

The Provost commented that the strategy reflected the vision and values of the Council in terms of community wealth-building and wellbeing.

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

Decision

The Council agreed:

- i. to approve the draft Local Heat and Energy Efficiency Strategy; and
- ii. to note that the 5-year LHEES Delivery Plan was under development and would be presented together with the final Local Heat & Energy Efficiency Strategy to Members in 2024.

6. STATUTORY REVIEW OF POLLING DISTRICTS AND PLACES/AMENDMENT TO POLLING PLACE SCHEME/UK BOUNDARY CHANGES

A report was submitted by the Executive Director for Council Resources informing Members of a forthcoming statutory review of polling districts and places; seeking approval to relocate a polling place from the current Wallyford Community Centre (polling district ELMN3F) to the

new Wallyford Learning Campus; and seeking approved to relocate electors remaining with Lothian East constituency polling district ELMN1C to ELMN1D, following UK boundary changes.

The Head of Corporate Support/Depute Returning Officer, Morag Ferguson, presented the report, advising that the Council was required to review polling districts and places every five years, and that this process was about to start. She provided an explanation on the process and timescales, noting that the timescales were subject to change, should an early UK general election be called; otherwise, the outcome of the review would take effect after the next scheduled UK general election. She explained the rationale for two proposed changes to polling districts and places in Wallyford and Musselburgh, which would take place immediately.

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

Decision

The Council agreed:

- i. to note the formal Notice of Review of Polling Districts and Places would be published on Monday 6 November 2023 and the public consultation would begin on Monday 4 December for a period of 8 weeks. Approval of the new polling scheme would be sought on completion of the review;
- ii. subject to the conditions set out in paragraph 3.8 of the report, to approve the amendment to the current polling scheme for polling district ELMN3F; and
- iii. to approve the relocation of voters within ELMN1C to ELMN1D (Musselburgh East Community Learning Centre).

7. APPLICATIONS FOR MAINTENANCE FUNDING TO MUSSELBURGH COMMON GOOD COMMITTEE

A report was submitted by the Executive Director for Council Resources seeking determination of two applications for maintenance funding received by the Musselburgh Common Good Committee.

The Head of Finance, Ellie Dunnet, presented the report, advising that the proposals were supported by the Musselburgh Common Good Committee. She pointed out that approving the funding for these two projects would require a variation to the Musselburgh Common Good budget, and of the proposal to dispose of both properties once the work had been completed.

Councillor Forrest asked if local Members would be consulted in advance of any agreement being made to dispose of the properties. Tom Reid, Head of Infrastructure, advised that the sale of 118 High Street was straightforward; however, the sale of Stoneyhill Community Centre would need require agreement by the court, as it was a Common Good asset and was inalienable. He suggested that it could also be disposed of by way of an asset transfer. He added that the Council had no use for the building and that it would cost £400,000 to bring it up to standard. He undertook to discuss this further with the Musselburgh Members.

Councillors Forrest and Bennett welcomed the opportunity to discuss the future of the Stoneyhill Community Centre building.

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

Decision

The Council agreed:

- i. to award £20,000 to bring the property at 118 New Street, Musselburgh, into useable condition;
- ii. to award £70,000 to enable Stoneyhill Community Centre to be advertised on the market for sale; and
- iii. to approve a variation in the Musselburgh Common Good maintenance budget to allow for the work to be carried out on the two properties outlined above.

8. APPOINTMENTS TO COMMITTEES AND OUTSIDE BODIES

A report was submitted by the Executive Director for Council Resources advising the Council of the appointment of Councillor George McGuire as Leader of the Conservative Group, replacing Councillor Lachlan Bruce, and of the implications of this change for committee and outside body membership.

The Clerk advised of the recent change of leadership of the Conservative Group, and drew attention to a number of changes to committee and outside body membership resulting from this change.

The Provost paid tribute to Councillor Bruce for leading the Conservative Group, and offered Councillor McGuire support in his new role.

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

Decision

The Council agreed:

- i. to note that Councillor George McGuire had been appointed as Leader of the Conservative Group, replacing Councillor Lachlan Bruce;
- ii. to approve the appointment of Councillor McGuire to the Petitions and Community Empowerment Review Committee, replacing Councillor Bruce;
- iii. to approve the appointment of Councillor Jeremy Findlay to the East Lothian Integration Joint Board and the IJB Audit & Risk Committee, replacing Councillor Bruce; and
- iv. to approve the appointment of Councillor McGuire to the CoSLA Convention, replacing Councillor Bruce.

9. NOTICE OF MOTION: NATURE EMERGENCY

A motion was submitted by Councillors Hampshire and McGinn:

Council:

- (1) Notes the body of evidence which outlines the alarming extent of the global nature and biodiversity crisis. Nature is in decline and urgent action must be taken to reverse this.
- (2) Recognises the inherent value of nature, as well as its crucial importance as an integral part of culture and society, and for our health, wellbeing, and economy; this being demonstrated through placemaking, tourism, food, energy, water and air quality regulation, etc.
- (3) Additionally, recognises that the nature and climate emergencies are intrinsically linked and that nature plays a key role in meeting climate targets, particularly for climate change adaptation and resilience.

Further, Council:

- (4) Welcomes the revised national [Scottish Biodiversity Strategy](#) and forthcoming statutory targets for public bodies, including local authorities, required to meet the challenges of the nature crisis.
- (5) Welcomes the [Kunming-Montreal Global Biodiversity Framework \(GBF\)](#) agreed at COP15 in December 2022 and celebrates the role played by the [Edinburgh Process](#) as part of this.
- (6) Recognises the key role subnational governments and local communities will play in realising delivery of the GBF and notes the long and strong history of work on biodiversity in East Lothian, including a range of strategies, partnerships and projects that are currently delivering action related to the nature emergency.

Therefore, Council agrees:

To declare a Nature Emergency, akin to the Council declaration of a Climate Emergency in 2019, recognising the state of nature, its inherent value, and the crucial role its recovery and restoration will play in realising climate targets.

The Council requests a report to be presented to Council in 2 committee cycles, which:

- (1) Outlines how existing Council strategies, such as the Biodiversity Action Plan, Climate Strategy, Tree and Woodland Strategy, Green Network Strategy, Open Space Strategy, Local Development Plan, align with the GBF, Scottish Biodiversity Strategy and the Berlin Urban Nature Pact, and notes any changes to existing strategies required to deliver against these.
- (2) Provides an update on the development of our Biodiversity Action Plan including specific considerations of how the plan is impacting:
 - (a) The adoption of an ecological coherence approach to effectively identify and target actions required to tackle the nature emergency and deliver the various strategies listed above, including through the further development of the regions Nature Network.
 - (b) The adoption of a partnership approach, working with East Lothian's community Biodiversity and Sustainability Groups, and all National Agencies like Nature Scotland to maximise opportunities for delivery of the strategies listed above and taking learning from our Cross-Party Climate Change & Sustainability Forum that is part of our 2045 Climate Change Strategy Work.

Councillor Hampshire presented the motion, stating that it was the responsibility of all Members to protect nature in East Lothian. Referring to the impact of storms in recent years, particularly the most recent storm which had hit East Lothian over the weekend of 28/29 October, he spoke of the impact of climate change on wildlife, especially sea life. He advised that the Council had to manage the needs of the environment alongside delivering growth, and that the support of communities, landowners and farmers was key. He was supportive of Councillor McIntosh's amendment, and he urged Members to support the motion.

Seconding the motion, Councillor McGinn recognised the need for the Council to tackle this issue at a local level in order to protect, enhance and restore nature, which would be of benefit to biodiversity, health and wellbeing, and the local economy and tourism. He paid tribute to the staff working in this area, and also to the community groups, volunteers and external agencies who worked in partnership with the Council. He acknowledged that tackling the nature emergency and that the Council could not do it alone without the support and commitment of partners.

The Provost advised that an amendment to the motion had been submitted by Councillors McIntosh and Allan:

- After point 6 inserts a new point 7 which reads:
 - Further recognises that East Lothian Council is in a unique position to embed action on these issues across all its services due to the number of key strategies that are due to be updated in the near future, including the LDP, Economic Strategy, Local Housing Strategy, and Biodiversity Action Plan; and notes that that the nature crisis, like the climate crisis, is the responsibility of all departments and staff to tackle, and that Countryside and Leisure officers already support colleagues to embed awareness of this into working practices across the Council.
- Removes the sentence "Council requests a report to Council within two committee cycles" and replaces with "Council requests a draft report to the cross-party Climate Change and Sustainability Forum, on a timetable to be agreed with that group."
- Deletes 2b and replaces with:
 - "Adopts a partnership approach, working with East Lothian Climate Action Network (utilising its newly-announced Climate Hub), and other community organisations, and also collaborating with neighbouring local authorities, and with Government agencies such as NatureScot, to maximise delivery opportunities for the strategies listed above and to identify further opportunities for nature restoration, nature-based solutions, and protection of biodiversity, both within the county and in connection to larger networks."
- Inserts a new concluding sentence as follows:
 - "Following policy discussion at the cross-party forum, annual reporting should be made to Council on the progress of these actions, aligning where possible with existing cycles of reporting for climate action and biodiversity targets."

Before presenting her amendment, Councillor McIntosh thanked Councillors Hampshire and McGinn for bringing forward the motion. She argued that the 'assault on nature' was often driven by economic strategies, and that, despite the Council having little influence at the global level, it could create a local economy based on wellbeing and health. She agreed that protecting nature was everyone's responsibility and that this should be embedded within all Council services. She also noted that the Climate Action Network had recently received funding to establish a climate hub, which was an effective way to link with local communities. Councillor McIntosh stressed the importance of working with neighbouring local authorities and for them to have joined-up approach to protecting nature. She advised of an amendment to the second bullet point of her amendment, to read: Removes the sentence 'Council requests a report to Council within two committee cycles' and replaces with 'Council requests a report to Full Council before the next summer recess, with the progress of work arising from this report to be monitored and discussed on an ongoing basis after this by the cross-party Climate Change and Sustainability Forum (on the understanding that key milestones or changes will also be scrutinised and voted on by Full Council when appropriate)', and also that the final bullet point in her amendment could be deleted.

Councillor Allan seconded the amendment (as amended). She agreed with the points made regarding everyone taking responsibility to protect nature. She made reference to the recent storms, noting that the area's flora and fauna was now at risk.

The Provost welcomed Councillor McIntosh's proposed change to her amendment, noting that it was not the Council's custom and practice for a sub-group to scrutinise officer reports before being submitted to Council/committee.

Councillor Jardine welcomed the Administration's acceptance of the amendment. She highlighted the importance of safeguarding nature and the environment for future generations. Her comments were echoed by Councillor Dugdale.

The Provost welcomed the cross-party support for the motion, and he paid tribute to all those committed to protecting nature.

Summing up, Councillor Hampshire thanked Members for supporting the motion, arguing that the climate and nature emergencies posed a huge challenge for individuals and for the Council. He acknowledged that managing this challenge would be a long and difficult process.

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

Decision

The Council agreed to support the motion, as amended:

Council:

- (1) Notes the body of evidence which outlines the alarming extent of the global nature and biodiversity crisis. Nature is in decline and urgent action must be taken to reverse this.
- (2) Recognises the inherent value of nature, as well as its crucial importance as an integral part of culture and society, and for our health, wellbeing, and economy; this being demonstrated through placemaking, tourism, food, energy, water and air quality regulation, etc.

- (3) Additionally, recognises that the nature and climate emergencies are intrinsically linked and that nature plays a key role in meeting climate targets, particularly for climate change adaptation and resilience.

Further, Council:

- (4) Welcomes the revised national [Scottish Biodiversity Strategy](#) and forthcoming statutory targets for public bodies, including local authorities, required to meet the challenges of the nature crisis.
- (5) Welcomes the [Kunming-Montreal Global Biodiversity Framework \(GBF\)](#) agreed at COP15 in December 2022 and celebrates the role played by the [Edinburgh Process](#) as part of this.
- (6) Recognises the key role subnational governments and local communities will play in realising delivery of the GBF and notes the long and strong history of work on biodiversity in East Lothian, including a range of strategies, partnerships and projects that are currently delivering action related to the nature emergency.
- (7) Further recognises that East Lothian Council is in a unique position to embed action on these issues across all its services due to the number of key strategies that are due to be updated in the near future, including the LDP, Economic Strategy, Local Housing Strategy, and Biodiversity Action Plan; and notes that that the nature crisis, like the climate crisis, is the responsibility of all departments and staff to tackle, and that Countryside and Leisure officers already support colleagues to embed awareness of this into working practices across the Council

Therefore, Council agrees:

To declare a Nature Emergency, akin to the Council declaration of a Climate Emergency in 2019, recognising the state of nature, its inherent value, and the crucial role its recovery and restoration will play in realising climate targets.

The Council requests a report to Full Council before the next summer recess, with the progress of work arising from this report to be monitored and discussed on an ongoing basis after this by the cross-party Climate Change and Sustainability Forum (on the understanding that key milestones or changes will also be scrutinised and voted on by Full Council when appropriate), and which

- (1) Outlines how existing Council strategies, such as the Biodiversity Action Plan, Climate Strategy, Tree and Woodland Strategy, Green Network Strategy, Open Space Strategy, Local Development Plan, align with the GBF, Scottish Biodiversity Strategy and the Berlin Urban Nature Pact, and notes any changes to existing strategies required to deliver against these.
- (2) Provides an update on the development of our Biodiversity Action Plan including specific considerations of how the plan is impacting:
 - (a) The adoption of an ecological coherence approach to effectively identify and target actions required to tackle the nature emergency and deliver the various strategies listed above, including through the further development of the regions Nature Network.
 - (b) The adoption of a partnership approach, working with East Lothian Climate Action Network (utilising its newly-announced Climate Hub), and other community organisations, and also collaborating with neighbouring local authorities, and with Government agencies such as NatureScot, to maximise delivery opportunities for the strategies listed above and to identify further opportunities for nature

restoration, nature-based solutions, and protection of biodiversity, both within the county and in connection to larger networks.

10. SUBMISSIONS TO THE MEMBERS' LIBRARY SERVICE, 15 AUGUST – 16 OCTOBER 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 August 2023.

Decision

The Council agreed to note the reports submitted to the Members' Library Service between 14 August and 16 October 2023, as listed in Appendix 1 to the report.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

The Council unanimously agreed to exclude the public from the following business containing exempt information by virtue of Paragraph 6 of Schedule 7A to the Local Government (Scotland) Act 1973.

Application for Funding to Musselburgh Common Good Committee

An application for funding from the Musselburgh Common Good Committee, submitted by the Hollies Community Hub, was approved, with £30,000 of funding being granted.

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REPORT TO: East Lothian Council
MEETING DATE: 12 December 2023
BY: Executive Director for Council Resources
SUBJECT: Finance Update

2

1 PURPOSE

- 1.1 To provide an update on the financial position facing this Council. This includes an update on the in-year financial position at the end of September 2023, agreed mitigations and capital programme review, as well as future financial outlook.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Note the outcome of the Period 6 review of financial performance against approved budgets and the significant underlying financial pressures faced by the Council.
 - Note the impact on the Council reserves if the projected revenue overspend materialises.
 - Note the severity of the financial risks set out in the report that may impact on the position.
 - Note the performance against prudential indicators set out in Appendix 5.

3 BACKGROUND

- 3.1 The Council is continuing to operate within the most extreme and challenging financial environment that it has ever faced with significant challenges in 2023/24 and an estimated recurring financial gap in excess of £70 million over the next five years, which is equivalent to a quarter of the Council's annual running costs.

- 3.2 The Period 5 report to Council noted a 2023/24 pressure of £22.2 million, and after the application of planned reserves the unplanned overspend was forecast to be £10.3 million.
- 3.3 Given the severity of the in-year financial position along with the risks to future financial sustainability, the Council approved a series of further mitigation measures in an attempt to manage the in-year financial pressures. This report provides Council with an update on the current year financial position at the end of period 6. A further update, setting out the position at the end of period 9 will be presented to Council in February 2024, alongside the budget for 2024/25 onwards.

General Services Revenue Summary – Period 6

- 3.4 At Period 6, before applying planned use of reserves there is a forecast overspend for the year of £20.2 million, which represents an improvement of £2 million since the Period 5 report.
- 3.5 The main reasons for the movement since Period 5 are:
- Reduction of £0.6 million in the IJB overspend following a review of unused care commitments and improvements in the income forecast. This will reduce further as a result of Council's decision to transfer a £0.4 million share of funding for the 2023/24 pay award, although this movement will be cost neutral to the overall Council position.
 - Reduction of £1.1m in the deficit on the property maintenance trading account following an increase to the schedule of rates to reflect the difference in underlying inflation and the national schedule of rates, and the pay award for 2023/24. A shortfall of £0.2m remains on the trading account and work is ongoing to identify options to increase productivity or deliver efficiencies to offset this.
 - Improvement of £0.1m in forecast council tax income, due to the addition of properties to the rating list.
 - Reduction of £0.3m in forecast spend for education, linked to lower than anticipated spend on funded early learning and childcare.
 - Additional funding to support the costs of delivering the Ukraine resettlement schemes, which has improved the forecast outturn by £0.4m. This has reduced the forecast overspend within the homelessness budget, however this is a one-off mitigation and the recurring pressure will remain in future years.
 - Increase of £0.4m in the forecast overspend for Children's Services due to use of agency staff, additional external placements and a shortfall in funding to support the new minimum rates for foster and kinship care allowances.

- 3.6 The planned use of reserves for 2023/24 is £12 million, as set out below:
- Transformational Fund and other Ring-Fenced Funds – £1.6 million.
 - Health & Social Care (IJB delegated Services), £701,000 – 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 – £7.378 million.
- 3.7 The unplanned overspend, after applying planned use of reserves is currently forecast to be £8.2 million at the end of the year. While this represents an improvement of £2.1 million since the period 5 report, an overspend of this level cannot be accommodated within unallocated balances on the general fund reserve and will not only remove in full the minimum level of reserve of £7.2m but will also result in a reduction in other earmarked funds. This will present a significant risk to the Council’s financial sustainability and ability to deliver on our strategic priorities, and it will also diminish our capacity to respond to unforeseen events in the future. Mitigation measures have been introduced with a view to reducing the in-year overspend and preserving the minimum balance on the general fund; however, it is vital that longer-term solutions to closing the funding gap are identified to achieve a sustainable position in the future.
- 3.8 An analysis of the financial position as at Period 6 across service groups is set out in **Appendix 1**. The main reasons for the pressure are:
- IJB Delegated Services - Projected Overspend, £2.8 million – while this position has improved from period 5, there remains a significant overspend mainly due to pressures on commissioned care services, specifically external care homes and support services. The IJB is progressing a number of workstreams to mitigate the extent of this overspend, including, ongoing review of care packages and recruitment to support an enhanced internal care at home service which is aimed at ensuring that clients are able to stay safely in their own homes. The service is also actively attempting to identify a further £1.8 million of savings.
- The IJB has delegated authority over most of the Health and Social Care budget along with a small number of other budgets within Community Housing, the Housing Revenue Account and Housing Capital. The management of these resources remains in line with the scheme of integration and wider overall IJB resources.
- Children’s Services Overspend, £2.1 million – mainly relating to external residential packages and the establishment of a complex internal care package. There are also further pressures arising from a number of Unaccompanied Asylum-seeking Children arriving in East Lothian aligned to the national settlement schemes. In addition, there

is an estimated pressure of £0.2m arising from a shortfall in funding to support the new minimum rates for foster and kinship care allowances.

- Preston Lodge RAAC issues, £0.65m – while this position has improved by £2.35 million, the Council will still incur additional unbudgeted costs in 2023/24 to pay for alternative venues for teaching and PE as well as additional teachers to facilitate the revised timetable. The additional cost implications arising from RAAC remains subject to national discussions.
- Utilities, £0.4m – position remains aligned to Period 5.
- Savings assessed as unachievable in 2023/24, £1.1m – **Appendix 2** provides more information on progress in delivering savings.
- Council Contribution to Pay Funding Negotiations, £0.18m (estimated share of £10 million) – the 2023/24 pay offer for non-teaching staff which has now been agreed included an element of £10m to be funded by Scottish councils, with East Lothian's estimated share of this at £0.18m. We are awaiting clarity on other elements of the funding package to support this pay award, and there remains a risk of further pressure related to this.

3.9 At this stage it is likely that many of these pressures will be recurring beyond 2023/24.

Update on Mitigation Measures

3.10 Given the severity of the financial position facing the Council, a number of mitigating actions that have been in place since November 2022. Further additional mitigation measures were approved by Council in August 2023 in response to the significant forecast budget overspend, along with the escalating significance of risks to financial resilience over the short to medium term.

- An update on the mitigation measures and impact on service delivery is set out below, and this position continues to be monitored closely.
- The enhanced controls around recruitment and vacancies have resulted in only essential posts being advertised. As highlighted previously, management of staffing in this way has resulted in the temporary reduction in opening hours and / or closure of a number of facilities and service delivery impact resulting in further service business continuity plans being invoked.
- Work is ongoing with partners including the IJB to ensure appropriate recovery action, as referenced earlier in the report.
- Officers have continued to progress a review of operational assets, with a number of buildings temporary mothballed, and some declared surplus for sale in line with the wider asset review. Any disposal of

assets will be used support the approved budget targets, and it is anticipated the target of £2 million will be achieved for 2023/24.

- The capital programme remains under review, with spending across a number of areas on hold, and work ongoing to update the budgets for 2024/25 onwards.
- As noted above, work to review the schedule of rates for the property maintenance trading account in line with national guidance has now been completed and the impact of this work is reflected in the revised forecast above.

3.11 Officers will continue to implement and monitor progress against these actions, and Members will continue to be updated during the course of this year. It is, however, recognised that in implementing these mitigation actions, they are placing Council services in a very difficult position, requiring often short-notice changes to service provision, impacting both on our staff and communities we service. As highlighted in previous Council reports, these mitigations actions are not sustainable in isolation of necessary decisions aimed at reducing the recurring cost base on this Council. Nevertheless, they continue to remain a critical and necessary intervention given the severity of the Council's current financial position.

3.12 Further potential risks to the outturn position for this financial year arise from the following factors:

- potential overspends due to demands on the Scottish Welfare Fund, despite the measures previously outlined to mitigate this pressure by moving to the high and most compelling priority rating for community care grants.
- as noted above, the 2023/24 pay award for non-teaching staff has now been agreed, although clarity is awaited on some aspects of the funding package which is linked to this. There is a risk that this could result in further cost pressures to the Council either in the current or future financial years.
- increasing demand for Council services, arising from a range of external factors including population growth, the cost-of-living crisis along with UK and Scottish Government policy. This is already highlighted across a number of service areas, including homelessness / temporary accommodation, which may be exacerbated by the eviction ban ending, increasing demand for social care services and an increase in unaccompanied asylum-seeking children. These increased demands are creating unbudgeted cost pressures within the current financial year, but are likely to result in longer term recurring impacts to the financial strategy and increase the funding gap.

General Services Capital Summary – Period 6

- 3.13 The approved budget for 2023/24 was updated in the period 3 report to Council to reflect carry-forward flexibility of £9 million from the closing position at the end of 2022/23, the outcome of which remains subject to the conclusion of the statutory audit. The carry-forward is funded by £4 million external income and £5 million borrowing requirement.
- 3.14 Appendix 4 shows the approved and updated 2023/24 budgets and expenditure to 30 September 2023, showing spend of £20.301 million relative to the updated gross expenditure budget of £108.101 million.
- 3.15 Latest projections indicate expenditure of around £58 million by the end of the financial year. This forecast reflects the decision by Council on 29 August to pause or delay uncommitted capital expenditure where possible to do so.
- 3.16 The following are the main points to note including the most significant changes from the previous report:
- East Linton Primary – the Council was unsuccessful with the LEIP funding bid and therefore the project needs to be reviewed.
 - Law Primary – Early Learning extension – significant claims still in negotiation, risk of further budget pressure in year
 - North Berwick and Ross High Schools – contractor claims finally being settled, projection reflects the updated position.
 - Preston Lodge High School Extension – initially delayed due to RAAC issues, currently reviewing timescale for the school roll expansion and increased capacity need. Not at tender stage.
 - Windygoul Primary – project on temporary hold as latest roll projections show extension not required as early as budgeted for.
 - Levelling Up Project Cockenzie – works will not start on the coal bunds until 2024/25 significantly reducing the current year projection.
 - Court Accommodation – the roof works will be over two financial years, rather than fully in 2023/24.
 - Other funding sources – significant reduction in projection directly linked to the Levelling Up projection.
- 3.17 All expenditure projections reflect a range of assumptions that are subject to change and may therefore have an impact on the actual position achieved at the end of the financial year.
- 3.18 Whilst recognising the significance of the capital programme, there remains a wide range of growing external pressures all of which are placing very significant pressures on wider affordability limits.

- 3.19 A summary of the key changes since the budget was approved along with some additional risks are set out below:
- 3.20 External market conditions are still placing significant financial challenges on the current approved capital programme and associated borrowing levels. There are still significant inflation factors affecting tender prices. In addition, contracts already in place are still subject to further risk exposure and this remains challenging.
- 3.21 The projection for use of developer contributions, early learning 1140 grant and other funding sources are directly linked to the projections of the projects they support. There is an ongoing risk around the timing and realisation of planned developer contributions that may result in additional strain on borrowing requirements and the position will continue to be closely monitored.
- 3.22 The capital programme review will continue to further identify projects and items within budget lines which can be paused or removed. The projection being reported is a reduction in gross expenditure of £5.126 million compared to the P5 projection and a reduction of £49.721 million compared to the updated budget.
- 3.23 The impact of this on the in-year borrowing requirement is estimated at a reduction of £0.304 million compared to the P5 projection and a reduction of £40.681 million compared to the updated budget – this will give rise to a revenue saving on interest costs in the current financial year, and also a saving in 2024/25 as a result of reducing the in-year borrowing requirement.

Treasury Management Update – Period 6

- 3.24 The treasury management codes of practice require quarterly reporting on treasury activity. The period 3 report set out treasury management activity which took place in the first quarter of this financial year.
- 3.25 During the second quarter of the year, no external borrowing was undertaken. £20m was undertaken in the first quarter from PWLB.

The following borrowing was repaid during the second quarter:

Lender	Principal	Type	Interest Rate	Loan Term	Date Repaid
PWLB	£ 0.13m	Fixed rate Maturity	7.875%	17 years	14/09/2023
PWLB	£ 0.66m	Fixed rate Maturity	7.875%	17 years	14/09/2023
PWLB	£10.00m	Fixed rate Maturity	3.47%	7 years	24/09/2023
Total	£10.79m				

- 3.26 The Prudential, Treasury Management and Loans Fund indicators are set out in **Appendix 5**.

- 3.27 The budget figures for 2023/24 were set based on the previous year's capital projections. The actual outturn in the last financial year was below budget, meaning the starting point for the current year was also lower. General Services Q2 capital spend projection is lower than budget as is the Capital Financing Requirement (CFR). Conversely, HRA capital spend is higher so the CFR projection is also higher. The CFR is the debt that needs to be repaid over time.
- 3.28 As a result of the borrowing need for the projected capital expenditure, Loans Fund advances are increasing well above the principal repayment of Loans Fund debt for this financial year.
- 3.29 The CFR will only start to fall when Loans Fund principal repayments are greater than the in-year borrowing requirement. The following short-term investments were placed in the second quarter of the financial year up to 30 September.

Investment with	Principal	Interest Rate	Investment Date	Term	Date Repayable/ Repaid
Debt Management Office	£ 5m	5.12%	12/07/2023	2 months	12/09/2023
Standard Chartered (ESG Investment)	£ 5m	5.42%	12/07/2023	3 months	12/10/2023
Cheshire East	£ 5m	5.32%	24/08/2023	2 months	25/10/2023
Total	£ 15m				

- 3.30 Due to a change in the interest rate for our bank account from 1 October 2023, the Treasury Team will be placing a greater number of very short-term investments to maximise use of surplus cash balances. These will be made in accordance with the risk management parameters set out in the treasury management strategy and will vary from overnight to 1-2 weeks, depending on cash flow requirements.
- 3.31 As detailed above, cash flow continues to be very closely monitored to ensure the Council has sufficient cash resources to meet ongoing requirements.

Housing Revenue Account Summary – Period 6

- 3.32 The HRA is expected to breakeven at this stage. However, voids remain high, and work is ongoing to remedy this. In addition, high interest rates continue to place pressure on budgets due to the increased costs of debt financing. Taking these factors into account, at this stage the HRA strategy remains viable. **Appendix 6** sets out the revenue spend for the year.
- 3.33 Capital spend at Period 6 was around £18 million with £43 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 in the current year has been

reprofiled from the later years of the programme and is offset by Scottish Government grants and earlier than anticipated rental income for the properties. Further detail is set out in **Appendix 7**.

- 3.34 There remain challenges in delivering the programme due to a shortage of labour, uncertainty in the housing market due to the current economic situation and challenges in awarding and mobilisation of contracts.

2022/23 Audit

- 3.35 Members are reminded that whilst the focus remains on managing the very severe financial position and future financial outlook, the audit for 2022/23 has still not been concluded and therefore the financial results and indeed reserves being held by the Council remain subject to change. These delays have been reported to Audit & Governance and are principally due to internal resource pressures within Audit Scotland making it impossible for them to conclude the audit in an earlier timeframe. Officers are working pragmatically with Audit Scotland to conclude this as early as possible, but it is not anticipated that the audit work will conclude until mid-December 2023.
- 3.36 Members will be informed of any changes arising during the course of the audit but given the severity of the financial challenges being faced by the Council, this delay presents a further risk in forward planning.

Financial Sustainability

- 3.37 The severity of the financial position facing this Council is now at the highest level that this Council has ever faced, and there continues to remain a very real risk that this Council will not be able to deliver its ongoing obligations in the short term.
- 3.38 This has been further highlighted by the recent announcement by the Scottish Government to freeze Council Tax rates, taking away one of the most critical levers available to a Council in meeting its legal obligation to set a balanced and competent budget. Officers continue to seek clarity regarding the specific implications of this announcement for East Lothian Council.
- 3.39 Officers are continuing to do all that they can to ensure resources are allocated and prioritised in line with Council commitments and priorities, seeking all permissible flexibilities, maximising resources, and ensuring best value at all times.
- 3.40 Concerns regarding the financial position continue to be escalated to all levels of government, at both officer and political level, and without significant additional funding it is becoming very difficult and perhaps inevitable that this Council will not be able to sustain existing service provision in the short to medium term given the scale of the risks and challenges now being faced.
- 3.41 The impending Scottish Government budget and Local Government funding allocation is expected to be announced on 19 and 21 December

respectively, and this will remain critical to see whether additional resources have been allocated to support this Council and the delivery of both local and national priorities, and what if any flexibility is derived through the recently approved Verity House Agreement between local and national government.

Conclusion

- 3.42 The financial implications facing this Council are now at the most severe level we have ever experienced. In year, there is an overspend of £20.2 million in General Services revenue before applying mitigations, along with a number of recurring pressures. In addition, there remain significant concerns around the ongoing affordability of the capital programme given the wider cost of construction and associated cost of borrowing.
- 3.43 It is critical that budget mitigation measures remain in place in an attempt to manage and minimise the current financial risk, but this is not a sustainable solution. The Council must do all that it can to support its ongoing sustainability and align service delivery commitments within available resource envelopes. As such, it remains critical that urgent permanent policy decisions which refocus service priorities and consequential service reductions in resource and asset outlays are taken by elected members in setting the future budgets.

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications associated with this report, although, ongoing monitoring and reporting of the Council's financial performance is a key part of the approved Financial Strategy. 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.

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 None

AUTHOR'S NAME	Sarah Fortune Ellie Dunnet David Henderson Ann-Marie Glancy
DESIGNATION	Executive Director for Council Resources (Chief Financial Officer) Head of Finance Service Manager – Service Accounting Service Manager - Corporate Accounting
CONTACT INFO	edunnet@eastlothian.gov.uk dhenderson2@eastlothian.gov.uk
DATE	24 November 2023

Appendix 1
 East Lothian Council
 Budget Monitoring 2023/24 - Period Six

Service	Head of Service	Business Unit	2023/24 Budget	Year to Date			2023/24 Budget 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	£'000	%	
Education & Children's	Children's	Performance & Service Delivery	1,367	669	651	18	2.76%	
Education & Children's	Children's	Management	4,332	2,595	1,614	981	60.78%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,831	1,331	1,391	-60	-4.31%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	2,624	1,136	1,090	46	4.22%	
Education & Children's	Children's	TAC, Disability & Resources	7,691	3,883	3,789	94	2.48%	
Education & Children's	Children's	Disability Short Breaks	689	472	475	-3	-0.63%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		19,534	10,086	9,010	1,076	11.94%	
Education & Children's	Education	Inclusion & Wellbeing	12,583	8,732	8,682	50	0.58%	
Education & Children's	Education	Pre-School Education	16,678	12,307	12,630	-323	-2.56%	
Education & Children's	Education	Primary Schools	53,517	20,447	20,769	-322	-1.55%	
Education & Children's	Education	Secondary Schools	56,328	24,661	24,418	243	1.00%	
Education & Children's	Education	Schools' Support	4,184	2,521	2,438	83	3.40%	
Education & Children's	Education	East Lothian Works	1,712	545	567	-22	-3.88%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		145,002	69,213	69,504	-291	-0.42%	
EDUCATION & CHILDREN'S TOTAL			164,536	79,299	78,514	785	1.00%	
Council Resources	Finance	Financial Services	4,037	1,042	1,289	-247	-19.16%	
Council Resources	Finance	Revenues & Financial Support	4,787	1,340	1,474	-134	-9.09%	
Council Resources	Finance	Procurement	791	329	363	-34	-9.37%	
COUNCIL RESOURCES	FINANCE TOTAL		9,615	2,711	3,126	-415	-13.28%	
Council Resources	Corporate	IT Services	3,376	1,336	1,240	96	7.74%	
Council Resources	Corporate	People & Council Support	3,960	2,599	2,599	0	0.00%	
Council Resources	Corporate	Governance	2,371	794	820	-26	-3.17%	
Council Resources	Corporate	Communications	455	241	242	-1	-0.41%	
COUNCIL RESOURCES	CORPORATE TOTAL		10,162	4,970	4,901	69	1.41%	
COUNCIL RESOURCES TOTAL			19,777	7,681	8,027	-346	-4.31%	
Health & Social Care Partnership	Head of Operations	Adult Social Work	28,044	12,760	12,156	604	4.97%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	11,619	4,688	4,945	-257	-5.20%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,211	1,272	1,277	-5	-0.39%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	17,809	7,738	7,267	471	6.48%	
Health & Social Care Partnership	Head of Operations	Head of Operations	3,302	3,473	2,578	895	34.72%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,968	2,813	2,918	-105	-3.60%	
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		67,953	32,744	31,141	1,603	5.15%	
Health & Social Care Partnership	Head of Operations	Non-IJB	540	694	526	168	31.94%	
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		540	694	526	168	31.94%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			68,493	33,438	31,667	1,771	5.59%	
Place	Development	Planning & Environmental Services	1,170	159	296	-137	-46.28%	
Place	Development	Economic Development	878	805	802	3	0.37%	
PLACE	DEVELOPMENT TOTAL		2,048	964	1,098	-134	-12.20%	
Place	Housing	Housing, Strategy & Development	243	295	345	-50	-14.49%	
Place	Housing	Property Maintenance Trading Account	-987	3,445	3,344	101	3.02%	
Place	Housing	Community Housing Group	3,197	-105	-104	-1	0.96%	
PLACE	HOUSING TOTAL		2,453	3,635	3,585	50	1.39%	
Place	Infrastructure	Asset Maintenance & Engineering Services	2,288	1,355	1,303	52	3.99%	
Place	Infrastructure	Strategic Asset & Capital Plan Management	-286	521	640	-119	-18.59%	
Place	Infrastructure	Facility Trading Activity	-328	-915	-990	75	-7.58%	
Place	Infrastructure	Facility Support Services	4,486	2,550	2,468	82	3.32%	
Place	Infrastructure	Landscape & Countryside Management	6,177	3,672	3,671	1	0.03%	
Place	Infrastructure	Active Business Unit	4,053	1,900	1,900	0	0.00%	
Place	Infrastructure	Roads Network	4,830	1,885	1,865	20	1.07%	
Place	Infrastructure	Roads Trading Activity	-666	172	159	13	8.18%	
Place	Infrastructure	Transportation	1,992	519	651	-132	-20.28%	
Place	Infrastructure	Waste Services	10,371	4,546	4,585	-39	-0.85%	
PLACE	INFRASTRUCTURE TOTAL		32,917	16,205	16,252	-47	-0.29%	
Place	Communities & Partnerships	Corporate Policy & Improvement	758	393	397	-4	-1.01%	
Place	Communities & Partnerships	Connected Communities	6,843	3,434	3,556	-122	-3.43%	
Place	Communities & Partnerships	Protective Services	2,079	762	836	-74	-8.85%	
Place	Communities & Partnerships	Customer Services Group	4,799	1,844	1,988	-144	-7.24%	
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		14,479	6,433	6,777	-344	-5.08%	
PLACE TOTAL			51,897	27,237	27,712	-475	-1.71%	
SERVICE TOTAL			304,703	147,655	145,920	1,735	1.19%	
Funding & Non Service Expenditure Total			-304,703	-179,878	-182,236	2,358	1.29%	
TOTAL			0	-32,223	-36,316	4,093	11.27%	

Appendix 2
East Lothian Council
2023/24 Budget Efficiencies - Period Six

Service	2023/24			
	Achieved	Amber	Unachievable	
	£'000	£'000	£'000	
Education	189	810	0	
Finance	107	0	0	
Corporate Services	64	0	31	
H&SCP	250	0	0	
Development	30	250	0	
Housing	78	0	0	
Communities	148	97	0	
Infrastructure	0	383	375	
Corporate Management	0	890	700	
Total	866	2,430	1,106	4,402
	19.67%	55.20%	25.12%	

Savings Currently Unachievable - Red

Service	Proposal	Value	Comments
Corporate Services	1% IT Efficiency Target	31	Based on forecast costs for licenses and costs being reassessed from capital to revenue
Infrastructure	Increased Rental Charges (Day Centres)	175	Unlikely to be achieved in 2023/24
Infrastructure	Introduction of Commercial Van Bookings at Recycling Centres	200	Unlikely to be achieved due to delays in implementation of booking system
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		1,106	

Appendix 3

East Lothian Council

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

	£million
2022/23 GRG (per Budget Amendment)	215.263
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Additional Funding - GRG	
<hr/>	
Ukraine Resettlement	0.433
Scottish Recommended Allowance - Kinship and Foster Carers	0.296
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Total Additional Funding	0.729
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Revised GRG	215.992
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Appendix 4

East Lothian Council

Budget Monitoring 2023/24 - General Services Capital Period Six

	RAG	Annual (In-Year)							
		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	Previously reported Outturn to Council (P5)	Outturn Variance
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Projects									
Community Intervention	G	375	375	(4)	(379)	118	(257)	118	0
Community Intervention Fund - Pump Tracks	G	475	500	-	(500)	25	(475)	75	(50)
Bleachingfield Centre Remodelling Works	G	90	90	1	(89)	90	-	90	-
Dunbar Conservation Area Regeneration Scheme (CARS)	G	327	405	-	(405)	405	-	405	-
East Saltoun Community Hall	G	400	400	-	(400)	-	(400)	-	-
North Berwick Skatepark	G	-	-	125	125	165	165	160	6
Support for Business	G	-	229	244	15	323	94	323	-
CCTV	G	128	247	8	(239)	123	(123)	247	(124)
Town Centre Regeneration	G	500	1,345	268	(1,077)	1,205	(140)	1,469	(264)
Total Community Projects		2,295	3,591	641	(2,950)	2,454	(1,136)	2,886	(432)
Town Centre Regeneration Grant		(500)	(1,520)	-	1,520	(1,095)	425	(1,345)	250
Other Funding Sources		(616)	(694)	-	694	(744)	(50)	(777)	33
Total Income: Community Projects		(1,116)	(2,214)	-	2,214	(1,839)	375	(2,122)	284
Community Projects - General Capital Grant/Borrowing Requirement		1,179	1,377	641	(736)	615	(761)	764	(148)
ICT									
IT Programme & Digital Opportunities	G	2,200	2,200	933	(1,267)	2,200	-	2,200	-
Total ICT		2,200	2,200	933	(1,267)	2,200	-	2,200	-
Other Funding Sources		-	-	-	-	-	-	-	-
Total Income: ICT		-	-	-	-	-	-	-	-
ICT - General Capital Grant/Borrowing Requirement		2,200	2,200	933	(1,267)	2,200	0	2,200	0
Fleet									
Amenties - Machinery & Equipment - replacement	G	200	246	210	(36)	246	-	246	-
Vehicles	G	4,509	4,299	2,415	(1,884)	3,143	(1,156)	3,143	-
Total Fleet		4,709	4,545	2,625	(1,919)	3,388	(1,156)	3,388	0
Other Funding Sources		-	-	-	-	-	-	-	-
Total Income: Fleet		-	-	-	-	-	-	-	-
Fleet - General Capital Grant/Borrowing Requirement		4,709	4,545	2,625	(1,919)	3,388	(1,156)	3,388	0
Open Space									
Synthetic Pitch Replacement Programme	G	571	571	15	(556)	355	(216)	355	-
Cemeteries (Burial Grounds)	G	818	1,077	29	(1,048)	714	(363)	850	(136)
River Tyne / Haddington Flood Protection scheme	G	400	425	7	(418)	20	(405)	50	(30)
Coastal / Flood Protection schemes - Musselburgh	G	2,883	2,978	439	(2,539)	2,730	(248)	2,730	-
Coastal Car Park Toilets	G	-	64	3	(61)	35	(29)	35	-
Core Path Plan	G	50	50	-	(50)	50	-	50	-
Mains Farm Town Park & Pavilion	G	-	4	4	(0)	4	(0)	4	-
Nature Restoration	G	24	125	83	(42)	331	205	331	-
Replacement Play Equipment	G	218	317	117	(200)	317	-	317	-
Polson Park	G	20	20	-	(20)	-	(20)	-	-
Sports and Recreation LDP	G	2,613	3,068	565	(2,503)	893	(2,176)	1,135	(242)
Waste - New Bins	G	160	160	70	(90)	160	-	160	-
Waste - Machinery & Equipment - replacement	G	40	40	13	(27)	40	-	40	-
Total Open Space		7,797	8,899	1,346	(7,553)	5,649	(3,250)	6,057	(408)
Developer Contribution		(1,445)	(1,746)	-	1,746	(708)	1,038	(710)	2
Other Funding Sources		(1,172)	(1,450)	-	1,450	(1,061)	389	(1,061)	-
Total Income: Open Space		(2,617)	(3,196)	-	3,196	(1,769)	1,427	(1,771)	2
Open Space - General Capital Grant/Borrowing Requirement		5,180	5,703	1,346	(4,357)	3,880	(1,823)	4,286	(406)
Roads, Lighting and related assets									
Cycling Walking Safer Streets	G	478	582	371	(211)	1,046	464	1,046	-
East Linton Rail Stop / Infrastructure	G	1,500	27	0	(26)	0	(26)	0	0
Parking Improvements	G	252	274	71	(203)	358	84	274	84
Roads	G	6,735	6,865	2,400	(4,466)	6,365	(500)	6,335	30
Roads - externally funded projects	G	4,251	4,251	411	(3,840)	4,455	204	4,455	-
Total Roads, Lighting and related assets		13,216	11,999	3,253	(8,746)	12,224	225	12,110	114
Developer Contribution		(47)	(47)	-	47	(47)	-	(47)	-
Other Funding Sources		(4,682)	(4,786)	-	4,786	(5,453)	(668)	(5,453)	-
Total Income: Roads, Lighting and related assets		(4,729)	(4,833)	-	4,833	(5,500)	(668)	(5,500)	-
Roads etc. - General Capital Grant/Borrowing Requirement		8,487	7,166	3,253	(3,913)	6,723	(443)	6,610	114
Property - Education									
Aberlady Primary - extension	G	2,817	2,868	1	(2,868)	350	(2,518)	350	-
Blindwells Primary - new school	G	13,611	13,650	67	(13,583)	1,000	(12,650)	1,000	-
Craighall Primary - New School	G	13,411	13,451	69	(13,382)	1,000	(12,451)	1,000	-
East Linton Primary - new school	A	600	674	-	(674)	-	(674)	-	-
Free School Meals Expansion to P6-7	A	1,544	1,544	-	(1,544)	-	(1,544)	-	-
Gullane Primary - extension including Early Learning and 1140	G	-	-	(390)	(390)	-	-	-	-
Law Primary - extension including Early Learning and 1140	A	360	581	578	(3)	876	295	876	-
Letham Primary - New School	G	-	112	16	(96)	30	(82)	40	(10)
North Berwick High School - Extension	A	-	1,331	509	(821)	1,799	468	1,331	468
Ormiston Primary - extension	G	-	34	3	(31)	34	-	34	-
Pinkie St Peter's Primary - sports hall extension	G	774	846	386	(460)	846	-	846	-
Pinkie St Peter's Primary - extension including Early Learning and 1140	G	939	1,115	971	(145)	1,115	-	1,115	-
Preston Lodge High School - extension (phase 1)	G	1,153	1,200	-	(1,200)	-	(1,200)	1,200	(1,200)
Prestonpans Primary - upgrades	G	243	245	-	(245)	-	(245)	-	-
Ross High School - extension	A	172	219	308	89	580	361	296	284

Appendix 4

East Lothian Council

Budget Monitoring 2023/24 - General Services Capital Period Six

	RAG	Annual (In-Year)							
		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	Previously reported Outturn to Council (P5)	Outturn Variance
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure									
School Estate - Curriculum Upgrades	G	1,083	1,083	-	(1,083)	50	(1,033)	50	-
St Gabriel's Primary - extension including Early Learning and 1140	G	-	122	2	(120)	10	(112)	50	(40)
Wallyford Primary - New School	G	59	108	-	(108)	-	(108)	-	-
Wallyford Learning Campus	G	8,130	9,371	3,953	(5,418)	9,371	-	9,371	-
West Barns Primary - extension including Early Learning and 1140	G	234	633	763	130	633	-	633	-
Whitecraig Primary - new school including Early Learning and 1140	G	8,436	8,436	30	(8,405)	1,500	(6,936)	1,500	-
Windygoul Primary - Early learning and 1140 extension	G	1,930	1,991	17	(1,975)	20	(1,971)	500	(480)
Total Property - Education		55,497	59,613	7,283	(52,331)	19,213	(40,400)	20,191	(978)
									0
Developer Contribution		(9,475)	(11,484)	-	11,484	(5,929)	5,555	(6,845)	916
Developer Contribution (Post completion)		(427)	(427)	-	427	(427)	-	(427)	-
1140 Grant Income		(2,708)	(2,907)	-	2,907	(1,361)	1,546	(1,841)	480
Other Funding Sources		-	-	-	-	-	-	-	-
Total Income: Property - Education		(12,609)	(14,818)	-	14,818	(7,716)	7,101	(9,112)	1,396
Property Education - General Capital Grant/Borrowing Requirement		42,888	44,795	7,283	(37,513)	11,497	(33,299)	11,079	418
Property - Other									
Accelerating Growth		3,281	6,614	2,022	(4,591)	5,468	(1,146)	8,609	(3,141)
- Cockenzie	G	126	612	581	(31)	593	(19)	593	-
- Levelling Up Project Cockenzie	G	-	-	-	-	626	626	3,767	(3,141)
- Blindwells	G	40	153	2	(152)	65	(88)	65	-
- Innovation Hub	G	2,115	2,748	150	(2,598)	1,084	(1,664)	1,084	-
- A1/QMU Junction	G	1,000	3,101	1,290	(1,811)	3,101	-	3,101	-
Brunton Hall - Improved Community Access	G	-	23	-	(23)	23	-	23	-
Court Accommodation - incl. SPOC	G	1,506	1,506	12	(1,494)	519	(987)	800	(281)
New ways of working Programme	G	1,335	1,637	653	(984)	1,637	-	1,637	-
Prestonrange Museum	G	1,496	1,840	111	(1,729)	340	(1,500)	340	-
Property Renewals	G	2,000	2,000	1,356	(644)	2,000	-	2,000	-
Replacement Childrens House	G	867	867	-	(867)	-	(867)	-	-
Sports Centres	G	240	240	65	(175)	240	-	240	-
Whitecraig Community Centre	G	-	49	-	(49)	49	-	49	-
Total Property - Other		10,724	14,775	4,220	(10,555)	10,276	(4,500)	13,698	(3,422)
Developer Contribution		-	-	-	-	-	-	-	-
Developer Contribution (Post completion)		(1,909)	(1,909)	-	1,909	(1,909)	-	(1,909)	-
Capital receipts		(31)	(31)	-	624	(624)	(594)	(938)	314
Other Funding Sources		(2,047)	(2,283)	-	2,283	(1,490)	793	(4,317)	2,827
Total Income: Property - Other		(3,987)	(4,223)	-	4,817	(4,024)	199	(7,165)	3,141
Property Other - General Capital Grant/Borrowing Requirement		6,737	10,553	4,220	(5,739)	6,252	(4,301)	6,533	(281)
Total Property Spend - Education and Other		66,221	74,389	11,503	(62,886)	29,489	(44,900)	33,889	(4,400)
Total Income: Property - Education and Other		(16,597)	(19,041)	-	19,634	(11,740)	7,300	(16,277)	4,537
Property-Education and Other - General Capital Grant/Borrowing Requirement		49,624	55,348	11,503	(43,251)	17,749	(37,600)	17,612	137
Capital Plan Fees	G	2,479	2,479	-	(2,479)	2,479	-	2,479	-
PPP Projects	G	-	-	-	-	497	497	497	-
Total Gross Expenditure		98,916	108,101	20,301	(87,800)	58,381	(49,721)	63,507	(5,126)
Other Funding Sources		-	-	-	-	(497)	(497)	(497)	-
Total Income:PPP Projects		-	-	-	-	(497)	(497)	(497)	-
Income									
Developer Contribution	G	(10,967)	(13,277)	-	(13,277)	(6,684)	6,593	(7,602)	918
Developer Contribution (Post completion)	G	(2,336)	(2,336)	-	2,336	(2,336)	-	(2,336)	-
1140 Grant Income	G	(2,708)	(2,907)	-	(2,907)	(1,361)	1,546	(1,841)	480
Town Centre Regeneration Grant	G	(500)	(1,520)	-	(1,520)	(1,095)	425	(1,345)	250
Capital receipts	G	(2,031)	(2,031)	-	(2,031)	(2,624)	(594)	(2,938)	314
Other Funding Sources	G	(8,517)	(9,212)	-	(9,212)	(9,246)	(33)	(12,106)	2,860
Scottish Government General Capital Grant		(5,626)	(5,626)	-	(5,626)	(4,524)	1,102	(4,524)	-
Total Income		(32,685)	(36,909)	-	(32,237)	(27,869)	9,040	(32,692)	4,823
Borrowing Requirement		66,232	71,192	20,301	(120,037)	30,511	(40,681)	30,815	(304)

Appendix 5

East Lothian Council

Budget Monitoring 2023/24 - Treasury

1 PRUDENTIAL INDICATORS	2022-23	2023-24	2023-24
	Actual £'000	Budget £'000	Q2 Projection £'000
1.1 Capital Expenditure			
General Services	87,955	98,916	58,673
HRA	40,349	33,964	43,096
TOTAL	128,304	132,880	101,769
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	321,259
In year borrowing requirement	37,450	63,536	25,882
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	265,989
In year borrowing requirement	20,544	20,669	25,923
1.4 Total CFR excluding PPP and leases			
General Services	295,377	372,650	321,259
HRA	240,066	265,974	265,989
TOTAL	535,443	638,624	587,248
1.5 Annual Change in CFR			
General Services	37,450	63,536	25,882
HRA	20,544	20,669	25,923
TOTAL	57,994	84,205	51,805
1.6 Ratio of financing costs to net revenue stream			
General Services	2.72%	4.37%	4.37%
HRA	30.10%	36.24%	33.90%
1.7 Impact of Capital Investment Decisions			
General Services – Debt per Band D equivalent	£4,943	£6,086	£5,246
HRA – Debt per dwelling	£26,254	£28,652	£28,653

2 TREASURY MANAGEMENT INDICATORS	2022-23	2023-24	2023-24
	Actual £'000	Budget £'000	Q2 Projection £'000
2.1 Authorised Limit for External Debt -			
Borrowing at 31 March	601,000	680,000	628,000
Other long term liabilities (PPP and Leases)	33,000	31,000	31,000
Total	634,000	711,000	659,000
2.2 Operational Boundary for External Debt -			
Borrowing at 31 March	535,442	638,623	587,247
Other long term liabilities (PPP and Leases)	32,214	30,686	30,687
Total	567,656	669,309	617,934
2.3 Actual External Debt			
Borrowing at 31 March	441,503	573,341	490,413
Other long term liabilities (PPP and Leases)	32,214	30,687	30,687
Total	473,717	604,028	521,100

3 LOANS FUND	2022-23	2023-24	2023-24
	Actual £'000	Budget £'000	Q2 Projection £'000
3.1 General Services			
Opening balance	257,927	309,114	295,376
Add advances	37,776	65,957	30,236
Less repayments	(326)	(2,420)	(4,353)
Closing balance	295,376	372,650	321,259
3.2 HRA			
Opening balance	219,522	245,305	240,065
Add advances	25,366	26,068	31,306
Less repayments	(4,822)	(5,399)	(5,382)
Closing balance	240,065	265,973	265,989
3.3 Total			
Opening balance	477,448	554,418	535,442
Add advances	63,142	92,024	61,542
Less repayments	(5,148)	(7,819)	(9,735)
Closing balance	535,442	638,624	587,249

Appendix 6
 East Lothian Council
 Budget Monitoring HRA 2023/24 - Period Six

	2023/24 Budget £'000	2023/24 Actual to Date £'000	2023/24 Budget to Date £'000	2023/24 Budget Variance to Date £'000
Total Income	-37,482	-18,623	-18,741	118
Total Expenditure	36,233	10,202	9,950	252
(Surplus) / Deficit for Year	-1,249	-8,421	-8,791	370

	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 - Period Six

	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	3,124	5,355	-2,231
Energy Efficiency Fund	2,500	328	1,250	-922
New Council Housing	19,037	14,275	9,519	4,756
Fees	1,438	0	0	0
Mortgage to Rent	280	230	0	230
TOTAL	33,964	17,957	16,124	1,833

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	-7,553	-3,250	-4,303
Grants MTR	-196	-166	0	-166
CFCR	-1,200	-1,200	-1,200	0
Borrowing	-26,068	-9,038	-11,674	2,636
TOTAL	-33,964	-17,957	-16,124	-1,833

REPORT TO: East Lothian Council
MEETING DATE: 12 December 2023
BY: Executive Director for Council Resources
SUBJECT: Financial and Capital Strategies 2024-29

3

1 PURPOSE

- 1.1 To provide an update on the financial outlook facing this Council, to provide an update on the budget development process which will inform the setting of budgets for 2024/25, and to seek approval for the 2024/25 to 2028/29 Financial and Capital Strategies attached as Appendices 1 and 2.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Note the update on the financial outlook facing this Council.
 - Note the changes to the current approved strategy and approve the updated Financial Strategy for 2024/25 to 2028/29, set out in Appendix 1.
 - Note the changes to the current approved strategy and approve the updated Capital Strategy for 2024/25 to 2028/29, set out in Appendix 2.
 - Approve the budget development framework set out in paragraph 3.23 which will inform the development of 2024/25 and future years budget proposals.
 - Approve the proposed changes to timescales set out in Standing Orders for the purposes of the budget development process and, as set out in paragraph 3.23, delegate authority to the Chief Financial Officer and Monitoring Officer, in discussion with Political Group Leaders, to make any further changes necessary due to external factors.

3 BACKGROUND

- 3.1 The Council is continuing to operate within the most extreme and challenging financial environment that it has ever faced with very difficult financial challenges in both this financial year, and a significant funding gap set out for 2024/25 and beyond.
- 3.2 The extreme scale of these challenges being faced in East Lothian has been highlighted continually in recent years and has resulted in significant debate both locally and nationally around the scale of the challenge. Particular focus has been given to the cumulative financial impact arising from our growing population, aligned to national strategic housing land supply allocations.
- 3.3 Given the scale of the current and future financial outlook facing this Council, it is now very clear that there will need to be a change in what we do, and how services are delivered to ensure that maximum value can be derived from the limited available resources.
- 3.4 The financial and capital strategies set by the Council aim to set out the framework as to how public resources will be deployed to support Council priorities and responsibilities. Given the severity of the financial challenges, it is essential these strategies are considered alongside one another, and are used to support a holistic approach to the budget development process.
- 3.5 Council approved the current 5-year Financial and Capital Strategies on 13 December 2022. Although the strategies cover a five-year period, they are subject to an annual refresh to ensure that they remain appropriate and reflect any developments relevant to financial planning. More details setting out the key elements updated in the strategies are set out in the sections below.

Financial Outlook

- 3.6 Council has continued to be updated on the current and future financial outlook and associated risks. Since the most recent update provided in October, the Chancellor announced the autumn budget statement. He provided an update on spending plans and projections and indicated that resource spending would remain challenging in the medium term, and capital spending would be held flat through to 2028-29.
- 3.7 Whilst the actual amount of funding being made available to this Council will remain dependent on the decisions taken by the Scottish Government when they publish their budget on 19 December 2023, a large proportion of the funding available to the Scottish Government is driven by UK Government fiscal spending formula. The recent budget statement provided additional spending consequential to the Scottish Government of £545 million (£223m in 2023/24 and a further £321m in 2024/25).

- 3.8 The Deputy First Minister has indicated that savings of £680 million (£391m revenue and £289m capital) will be required by the Scottish Government to balance spending obligations in this current financial year and has written to the Chancellor setting out her concerns around the continued austerity relating to public finances.
- 3.9 It is currently unclear what spending choices will be made by the Scottish Government and the specific impact on the Council's finances for next year and beyond. However, it remains clear that pressure on public finances will remain for the foreseeable future alongside range of growing demands and pressures, which will mean some extremely difficult choices in the years ahead in terms of developing sustainable services for our communities.

Financial and Capital Strategies

- 3.10 As highlighted previously, the current strategies cover the financial period 2023-2028. These strategies have been updated to reflect any key areas which may change the current strategy and support the budget development process and have also been extended to cover the period until 2028/29.
- 3.11 The Council has already endorsed a strategy aligned to progressing with key themes which are set out below, and it is considered essential that the Council continues to work at pace and adopt policy which is aligned to these themes and focus on supporting the ongoing sustainability. As a reminder these key themes are:
- Asset rationalisation & energy efficiency
 - Income generation
 - Transformation, service redesign & digitalisation
 - Service reductions
- 3.12 In June, Council approved an updated reserves strategy which set out plans for utilising the Council's limited reserves to support ongoing sustainability. As such the current strategy has been updated to reflect the current position.
- 3.13 In addition, the Council must ensure that it continues to proactively lobby to ensure that the revenue and capital implications of a growing local economy are supported by both national governments, and the shared ambition and opportunities is not lost. The financial implications facing this Council in supporting this ambition have been well documented and remain a significant area of concern and challenge. The benefits and opportunities that this Council and national government can deliver through economic growth, particularly at a time when the national economic forecasts remain challenging is essential and includes: support and creation of jobs, stimulate economic regeneration, and increase national revenues through increased tax. This Council has taken

responsible and appropriate decisions to support national housing land supply allocations, but the severity and scale of the financial implications aligned to delivering this must be supported. If it is simply left to the Council alone with no additional funding to meet these costs, then this will result in a major deterioration of essential local services or could simply put a halt on the growth ambition and meeting statutory housing obligations.

3.14 The key areas within both strategies that have been updated are set out below:

- Current economic context including further information arising from recent Autumn Budget Statement;
- Updated financial scenario planning and key assumptions setting out the projected revenue funding gap over the next 5 years;
- Updated reserves position and strategy aligned to the June Council position.
- Updated capital budgets and controls covering the 5-year period to 2028/29.

Budget Development Process

3.15 The Council has a legal obligation to set a balanced budget and Council Tax and Rent Levels for 2024/25. The scale of the financial challenge facing this Council is extreme, but this remains a critical obligation for Members and is particularly important to set the priorities and direction as to how the limited resources available to the Council are to be utilised and support the future direction of services.

3.16 To inform decisions and future priorities, a public budget consultation has been developed, seeking views to shape spending decisions. The consultation closes on 5 January 2024, and an analysis of the responses will be provided to Members in advance of the budget considerations in February.

3.17 In addition, Members are reminded that a rent consultation is currently underway and closes on 15 December 2023 and will be used to inform rent setting for 2024/25. Current and future tenants are asked to support these consultations and similar to wider budget consultation, analysis of the responses will be provided to Members in advance of the budget considerations.

3.18 Officers continue to engage in urgent discussions with Scottish Government officials, with professional associations and national lobbying organisations, and through COSLA to set out the scale of the financial challenge facing this Council. These discussions will continue to be progressed. In addition, COSLA are also due to embark on their national budget lobbying in advance of the Scottish Budget announcement with a campaign centred around partnership and showcasing the vital work that councils do to support local communities.

- 3.19 As previously indicated the Scottish Government will publish its draft budget in Parliament on 19 December, and it is expected that the Local Government Finance allocations for each Council will be announced on 21 December. These figures will remain in draft through the parliamentary scrutiny committees and whilst the timetable remains unclear, it is anticipated that the final Local Government Order will be laid at the end of February 2024.
- 3.20 In line with the approved budget development process, discussions continue to progress through the cross-party budget working group and this forum will be used to inform the budget development options which will be considered by Council in February 2024.
- 3.21 The budget which Council will be asked to consider in February 2024 will comprise the following:
- A 2024/25 General Services revenue budget and future projections covering the period 2025/26 to 2028/29, including proposed Council Tax levels for 2024/25;
 - A General Services capital budget covering the 5-year period 2024/25 to 2028/29;
 - An HRA budget (revenue and capital) covering the 5-year period 2024/25 to 2028/29 including proposed Rent levels for 2024/25.
- 3.22 To support this process, and ensure that Members are able to make informed decisions around the budget at this time, the following action will be taken:
- All correspondence will be issued to political groups through Political Group Leaders and wider members of the cross-party budget group;
 - A budget briefing will be scheduled with all Members in January to set out the key assumptions and implications for the Council;
 - Cabinet will be provided with an update on the key implications from the national funding settlement on 23 January 2024.
- 3.23 A further timetable set out below has been developed to support the budget-setting process and it is recommended that Council approves this. Given the parliamentary timetable remains unclear, these dates may be subject to change, and it is recommended that any variance to these dates is delegated to the Executive Director for Council Resources (Chief Financial Officer) and Head of Corporate Support (Monitoring Officer), in discussion with Political Group Leaders. Meetings will continue to be progressed through the cross-party forum to seek update/awareness and where possible seek consensus on options prior to Council budget decisions.

- Administration budget finalised and circulated to all political groups
 - **5pm Wednesday 7 February 2024;**
- Any final budget amendments to be submitted to the Head of Finance
 - **5pm Monday 12 February 2024;**
- Council papers and amendments published
 - **Thursday 15 February 2024;**
- Council budget meeting
 - **Tuesday 20 February 2024**

Conclusion

- 3.24 The Council continues to operate within an extremely difficult financial landscape and is now facing an unprecedented challenge in ensuring ongoing financial sustainability.
- 3.25 Whilst the specific detail setting out the national funding being made available to this Council in 2024/25 will not be known until 21 December 2023, current projections indicate that the financial outlook facing public sector finances will remain extremely challenging and it is highly unlikely that national funding will be able to fully mitigate the extent of the funding gap this Council is facing.
- 3.26 It is now inevitable that the Council will need to operate within significantly reduced level of resources, and as such some very difficult choices will need to be made in the months ahead as to what services will be prioritised, and how services will be delivered in the future.
- 3.27 The unprecedented scale of the financial challenge now being faced means that it is critical for Council to take action in order to ensure the financial sustainability and protect essential statutory services. These are hugely difficult times, but it is essential that the Council demonstrates leadership and embraces the decisions which need to be made, with sufficient pace and expediency to balance the budget over the medium term. Aligning the limited available resources to the Financial and Capital Strategies is now essential to ensure the Council can meet its legal obligation to set a balanced budget and support ongoing financial sustainability.
- 3.28 The Council Plan sets out the Council's strategic priorities, and it is important that the Council's available resources align to the Council Plan and priorities. Given the financial challenges, work is ongoing to refocus the immediate priorities set out within the Council Plan with a view to refocusing the longer term priorities. An update will be brought forward to the Council in due course.

4 POLICY IMPLICATIONS

- 4.1 There are no direct policy implications associated with this report, although, ongoing monitoring and reporting of the Council's financial performance is a key part of the approved Financial Strategy. However, in light of the acute financial challenges which the Council is now facing, without significant additional funding it is unlikely that it will not 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.

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 None

AUTHOR'S NAME	Sarah Fortune Ellie Dunnet
DESIGNATION	Executive Director for Council Resources (Chief Financial Officer) Head of Finance
CONTACT INFO	sfortune@eastlothian.gov.uk edunnet@eastlothian.gov.uk
DATE	4 December 2023



Financial Strategy 2024-2029

East Lothian Council

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1. Introduction

- 1.1 The Financial Strategy sets out the Council's strategic approach to the management of its finances and outlines the wider context within which these plans have been developed. It links the priorities and ambitions outlined within the Council Plan with forecast resources and will be used as the framework for setting detailed budgets to ensure that these resources are effectively managed and allocated to ensure that the Council is able to meet its statutory responsibilities and deliver on key priorities.
- 1.2 This strategy covers the 5 year period from 2024/25 and has been developed in the context of the most challenging financial environment this council has ever faced. As one of the fastest growing councils in Scotland, there are increasing demands for our services which have not been met through real terms funding increases, leading to us becoming the council with the third lowest level of per capita funding in Scotland. Like all public bodies, we have continued to see costs escalate as a result of high inflation and rising interest rates. The local authority sector continues to face significant uncertainty surrounding future funding settlements with economic instability and the prospect of a recession creating significant pressure on public finances. This is compounded by the wide range of concurrent risks including the turbulence within global economies and the cost of living crisis which are creating increasing pressure on council services.
- 1.3 The Council currently receives a significant proportion of its funding from Scottish Government. The UK Government made its autumn statement announcement on 22 November 2023, and the draft Scottish Government 2024/25 budget will be published on 19 December 2023 ahead of the draft Local Government finance order on 21 December. Similar to previous years, the national funding settlement will remain in draft until it passes through the Parliamentary scrutiny process in the Scottish Parliament, with the final position unlikely to be confirmed until mid-February 2024. It is anticipated that this will be a one year settlement, which creates further uncertainty for the period beyond 2024/25. Given the acute pressure on public finances, it is inevitable that the gap between available resources and expenditure demands will not be met through external funding, meaning that the council will need to find further ways to reduce its cost base, or grow its income streams.
- 1.4 The scale of the challenge now facing the Council means that it will not be possible to close the budget gap through efficiencies alone, and it will now be necessary to think differently about how the Council interacts with and supports its residents, ensuring that scarce resources are directed to maximise impact and improve financial sustainability. In light of this, on 29 March 2022, Council adopted the below principles to guide the development of its budget strategy:
 1. Establishment of a cross party budget working group to oversee the development of detailed budget proposals and the different work streams supporting this.
 2. Commitment to developing an approach aligned to the financial strategy which combines a range of options to close the gap between available funding and anticipated expenditure including an enhanced programme of transformation, asset review, income generation, cost reduction and efficiency.

3. A holistic approach to budget development, which recognises the relationship between capital and revenue planning and the role of investment in cost reduction strategies.
4. Commitment to minimising the use of one off resources to balance the budget and ensuring that use of reserves is limited to investment that will deliver ongoing cost reductions.
5. Ensuring alignment of financial planning and resources with wider strategic priorities, the Council Plan and consultation results.
6. Consideration of a 5 year budget plan aligned to the financial and capital strategies.

1.5 This strategy will support financial sustainability by:

- Outlining high level financial projections for 2024/25 to 2028/29 based on a range of key assumptions.
- Setting out the wider economic context and external factors which will impact financial planning and available resources.
- Ensuring that limited available resources are focused on delivery of the Council's approved key priorities and plans and their associated key outcomes.
- Providing a solid financial planning platform for the development of a sustainable revenue budget which will support the Council's key priorities.
- Documenting range of financial challenges and uncertainties facing the council, and setting out the approach for responding to these challenges,
- Defining the Council's approach to holding and utilising balances and reserves, ensuring that an appropriate balance between risk management and investment is achieved.
- Increasing both organisational awareness and wider community understanding of the Council's financial position and the challenges it is facing over the medium term in balancing and delivering against its budget.

1.6 The strategy covers the financial planning period until 2028/29 for the General Services and Housing Revenue Account (HRA). This document should be read in conjunction with the council's capital strategy which sets the framework for the council's capital expenditure plans and the governance.

2. Current Economic Context

2.1 The council is now facing unprecedented financial challenges with external factors placing acute pressure on resources and the council's capacity to balance its budget and set sustainable spending plans. Inflation (CPI) peaked at 10.7% in the 4th quarter of 2022 and has fallen in the second half of 2023, although not as sharply as expected. The cost

of essential items like energy and food has forced households and businesses to make difficult decisions to limit their spending, while public finances and government spending plans are also being squeezed.

- 2.2 The economic impacts of the pandemic, coupled with Russia's invasion of Ukraine and the ongoing effects of Brexit have been compounded by the UK Government's mini budget announcement in September which created turmoil in the financial markets. These factors have resulted in a rapid escalation of cost pressures facing the council and increased demand for services.
- 2.3 High inflation has influenced public sector pay negotiations, with agreements reached for the majority of local government workers for 2023/24. To support the 2023/24 pay settlement, Local Government has supported funding equivalent to 3%. Scottish Government has provided funding in addition to this to support both teaching and non-teaching pay awards. In addition a further £80 million of non-recurring flexibilities has been identified to support the non-teaching pay award, with a further recurring cost of £10m to be funded by councils. East Lothian Council's share of this is estimated at £0.18m. There remains uncertainty over the additional funding package and implications for this Council in supporting this pay award.
- 2.4 Within the capital programmes, significant interest rate rises present a threat to affordability of the existing capital programme, a risk that is compounded by the impact of high inflation meaning that previously agreed budgets will no longer be sufficient to fulfil capital commitments.
- 2.5 The UK Government's Autumn Statement announcement on 22 November 2023 indicated that spending will remain tight in the medium term with resource spending increasing by on average 1% in real terms from 2025-26 to 2028-29. The Autumn Statement also reiterated the UK Government's intention that capital spending will be held flat in cash terms through to 2028-29, and therefore fall in real terms. This means that the Treasury allocations for Scottish and UK departmental spending will grow more slowly than in recent years.
- 2.6 The Deputy First Minister has announced in-year (2023/24) savings to fund emerging priorities in the current financial year, totalling £680.3 million to be reallocated or reprofiled from other budget areas, which have been used to support; public sector pay deals, the Scottish Child Payment and the Fuel Insecurity Fund and inflationary pressures within the Health and Social Care budget.
- 2.7 The recent autumn budget statement provided additional Barnett consequential to the Scottish Government of £545 million, (£223m in this financial year and £321m in the next). The main measures generating these consequentials are the funding of the pay award for the NHS in England in 2023-24 and business rates reliefs announced for 2024/25 including 75% relief for the retail, hospitality and leisure sectors and freezing the small business multiplier. Scottish Government will determine how this money is spend, however it is considered likely that the NHS related consequentials may be ring fenced for the NHS in Scotland. The next key fiscal event will be the Scottish Government's 2024/25 budget announcement, due on 19 December, followed by the Local Government

Finance Settlement on 21 December, which will set out details of individual council funding for the next financial year.

2.8 While recent settlements have represented a year-on-year cash increase, this has typically been given with additional policy commitments, or ring fenced to specific service areas, often within education or health and social care. Without any realistic prospect of additional funding through the national settlement, the council will face some hugely difficult decisions as to where limited resources will be directed in the future.

2.9 The Resource Spending Review, published in May 2022 made reference to agreeing a new deal for local government in Scotland. Some work has progressed with the introduction of the Verity House Agreement, but some of these areas of discussions remain on-going. The key areas set out in the previously announced Resource Spending Review are outlined below:

- Build on the Review of Local Democracy and develop a deeper dialogue and debate on how Scottish and Local Government will work together to achieve better outcomes for people and communities.
- Seek to balance greater flexibility over financial arrangements for local government with increased accountability for the delivery of national priorities so that both partners can have certainty over inputs and outcomes alongside scope to innovate and improve the delivery of services to local communities.
- Explore greater scope for discretionary revenue-raising, such as the Visitor Levy and the newly created Workplace Parking Levy.
- Explore further with COSLA, Digital Office and Revenue Scotland how best to transform the digital administration of the Non-Domestic Rates system.
- Confirm that further flexibilities requested by COSLA will be made available to councils for existing service concession arrangements such as PFI or NPD funded projects; and
- Ensure these decisions are supported by a phased approach towards alignment with the CIPFA Code of Practice for Local Authority Accounting through a comprehensive Capital Accounting Review in partnership with COSLA, Audit Scotland and CIPFA.

2.9.1 The next key Budget event will be the Scottish Government Budget, due on 19 December 2023.

3. Local Context

3.1 The local environment within which the Council operates continues to change and evolve and in recent years the county has seen rapid population growth. East Lothian continues to be one of the fastest growing authorities in Scotland, and the recently published national census data sets out that East Lothian's population as at 2022 was at 112,300 (an increase of 24.6% since 2001). This growth is not being matched with funding increases through the local government finance settlement which is creating significant additional cost pressures on the council, in particular support for day-to-day (revenue)

budgets. This financial strategy is being developed in extremely difficult circumstances and the most challenging economic environment this council has ever faced, with a range of external factors relating to inflation, interest rates, cost of living, economic challenges, and continued public sector austerity, and significant increased demand and costs facing the authority. Developing customer expectations present an opportunity for the Council to do things differently, and to work in partnership with its communities to redesign and modernise service delivery, ensuring that resources are directed to the areas of greatest need.

Council Plan

3.2 The 2022 – 2027 Council Plan was adopted by Council in August 2022. This high level statement of objectives, priorities and strategic goals aims to meet the challenges the Council, East Lothian and its citizens and communities face to achieving the Council's vision of *'An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.'*

3.3 The plan is based on the following overarching objectives:

- **Recovery and Renewal** – recovering from the COVID pandemic by investing in regeneration and a sustainable future.
- **Reducing poverty and inequality** - supporting our communities to deal with the growing levels of poverty and inequality.
- **Responding to the Climate Emergency** - meeting our net zero climate change targets.

3.4 The plan also sets out four thematic objectives:

- **Grow our Economy** - increase sustainable and inclusive growth as the basis for a more prosperous East Lothian.
- **Grow our People** - give our children the best start in life and protect vulnerable and older people.
- **Grow our Communities** - give people a real say in the decisions that matter most and provide communities with the services, infrastructure and environment that will allow them to flourish
- **Grow our Capacity** - deliver excellent services as effectively and efficiently as possible within our limited resources.

Local Development Plan (LDP) & City Deal

3.1 The Council has an approved Local Development Plan (ELLDP 2018), which addresses housing need identified in the south east Scotland region and will mean a sustained growth in population across the area. It is estimated that the population will be 120,000 by 2037. This will continue to bring changes to the demography within the area, with significant growth in particular in the number of school-age children and the number of pensioners.

- 3.2 Population growth will create opportunities for the Council, but will also contribute to significant financial challenges in terms of the provision of necessary services to meet needs, for example the increased number of school children, care packages and households requiring waste collection. It will be important to ensure that the Council has the appropriate infrastructure in place to support the growth in service requirements.
- 3.3 Housing growth will give rise to increased council tax income, however the council does not currently receive any uplift through the national funding formula to offset the additional costs of growth. Given that national funding comprises approximately three quarters of the council's revenue budget, the impact of growth presents a huge risk to financial sustainability. In response to this challenge, it is important that as part of our strategy we continue to ensure that these concerns are heard by Scottish Government, and request that their support for growth is demonstrated through the national distribution of funding. At a local level we will need to think differently about how the limited resources we have can be used to support our changing communities.
- 3.4 The Council is also part of a wider Edinburgh and South East of Scotland City Deal. This will see significant investment across the region by partners including the UK and Scottish Governments, and will include the development of an Innovation Hub in East Lothian, that is being developed in partnership with Queen Margaret University. This exciting new building will accommodate a new Scottish Centre for Food Development and Innovation and will therefore support the wider food and drink sector, which is a core component of the East Lothian economy.
- 3.5 East Lothian is experiencing the impacts of the wider macro-economic climate, in common with the whole of Scotland and growth and change will be affected to some degree by the rising costs of construction and the move to net zero. The Council will work during 2023 towards a new economic development strategy and also make progress towards a replacement for the ELLDP 2018, reflecting the Scottish Government's aspirations and policies in the new National Planning Framework 4, to ensure a policy context that encourages economic growth and continues to meet the needs of the population of East Lothian.
- 3.6 The impact of growth associated with high levels of development across the County will continue to have a significant impact in future years. The Council will consider how its ambitions for growth can be realised and recognises the challenges in terms of how we use limited resources to support the needs that arise from demographic growth. This may require some changes in what we do and how we do it.

Reducing Poverty and Inequality

- 3.7 The East Lothian Poverty Plan 2021-2023, which was adopted by the Council and the East Lothian Partnership in October 2021, sets out seven outcomes based around a prevention and early intervention approach:
- Working and free from in-work poverty
 - Financially included - people have access to income maximisation and money advice
 - Having a decent, affordable, warm and dry home

- Educated – reduce the attainment gap and raise the attainment and achievement of our children and young people
- Healthy and Well – people in East Lothian are enjoying healthier lives and health inequalities are eliminated
- Resilient and Well Connected individuals and communities
- Empowered and Responsible

3.8 This strategy will seek to ensure that resources are directed accordingly in support of these objectives, providing both responsive support and investing in preventative action. An updated Poverty Plan will be presented to Council for consideration during 2024.

Responding to the climate emergency

3.9 The Council declared a climate emergency in August 2019 and developed a Climate Change Strategy & Action Plan in January 2020 to take urgent action to mitigate and adapt to climate change. The Strategy sets a route to creating a Net Zero Council and a Carbon Neutral East Lothian in partnership with the community. It includes key priorities to improve sustainability, encourage a low carbon lifestyle and look after the environment.

3.10 The Council needs to take action to tackle the climate emergency, and this will require a change in what we are doing, and how we are using our resources. However, in light of the unprecedented funding gap facing the council over the medium term, resources will now need to be directed to safeguarding frontline statutory services, which presents a risk to our future capacity for investment in this policy area if external funding cannot be accessed.

4. General Services Revenue Budget – Medium Term Outlook

4.1 Notwithstanding the many uncertainties facing Scottish local authorities, the need for medium to longer term financial planning is becoming increasingly important. Councils must ensure that they have robust financial plans in place that can respond to and absorb the potential impact arising from the increasingly wide range of variables highlighted earlier in this report.

4.2 The current General Services revenue budget extends over a 5 year planning horizon with a high level summary of the spending plans approved in February 2023 set out below:

<u>General Services – Revenue</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Funding Gap	11,593	27,124	12,046	8,749	11,808	71,320

Planned expenditure	320,388	319,072	324,164	331,082	336,745	
Planned Efficiencies	(6,738)	(3,691)	(2,081)	(2,094)	(1,785)	(9,651)

Table 1: General Services Revenue budget summary 2023/24 – 2027/28, agreed by Council on 28 February 2023

4.3 The budget development principles agreed by Council on 29 March 2022 included a commitment to setting a 5 year budget plan aligned to the financial and capital strategies. Given the level of uncertainty and short term nature of local government funding settlements, on 20 February 2024, Council will be presented with a detailed budget for 2024/25 accompanied by high level projections and savings plans covering the 5 years to 2028/29.

4.4 Key assumptions within these plans are set out below, all of which are subject to change:

- Pay increases – 3% in 2024/25, 2% in the subsequent 4 years
- Interest on new borrowing 5% aligned to Treasury adviser forecasts
- General inflation – 4.6% in 2024/25, reducing gradually to 2% from 2027/28
- Increase in council tax band D charge 5% (or freeze grant equivalent to this value)
- Flat cash settlement from Scottish Govt, other than 2026/27
- Full funding of increase to employers rate for teachers pensions
- Adoption of indicative employer pension contributions by the Pensions Committee, in line with the 2023 actuarial valuation.
- Delivery of previously agreed savings proposals set out within the current budget

4.5 It should be noted that there is a significant degree of risk within these assumptions, and small changes, for exempt to pay increases may have a significant impact on the funding gap. Specific areas of risk include assumptions made around council tax levels, and also on the funding of the teachers pension increase which has not yet been confirmed.

4.6 Scenario planning for 2024/25 onwards has been updated, with the results summarised below. This neutral case reflects the assumptions which are outlined above, excluding council tax increases.

Scenario	2024/25 Funding Gap £'000	2025/26 Funding Gap £'000	2026/27 Funding Gap £'000	2027/28 Funding Gap £'000	2028/29 Funding Gap £'000	TOTAL Funding Gap £'000
Neutral	20,001	16,260	6,927	8,596	6,860	58,644

Adverse	28,202	18,815	11,310	11,219	9,985	79,531
Favourable	15,489	13,705	5,344	5,973	3,735	44,246

Table 2: High level budget scenarios (funding gap)

4.7 Current financial planning is based on the neutral scenario as the most likely outlook for the council. This represents the most significant financial challenge that this council has ever seen, with our capacity to manage this rated as the highest risk ever recorded on the corporate risk register. If the budget gap outlined in the adverse scenario materialises, then this will represent a reduction to the council's running costs by more than a quarter over the next five years, which presents a high risk to the achievement of objectives set out in the council plan, and means that it will not be possible for the council to continue delivering services in the way that it does at the moment.

5. General Services Capital Budget – Medium Term Outlook

5.1 The new budget development principles include a commitment to *a holistic approach to budget development, which recognises the relationship between capital and revenue planning and the role of investment in cost reduction strategies.*

5.2 The Capital Strategy sets the framework for capital expenditure decisions and the arrangement for governance and monitoring of these plans. Given the significant impact of debt financing costs and revenue consequences of capital spend on the revenue budgets, it is important that these strategies are closely aligned and the interdependencies are understood. On 28 February 2023, the Council approved an ambitious, growth driven 5 year General Services capital budget, a summary of which is set out in the table below.

	2023-24	2024-25	2025-26	2026-27	2027/28	TOTAL
	£000	£'000	£'000	£'000	£'000	£'000
General Services Gross Expenditure	98,916	95,641	45,733	44,529	64,182	349,001
General Services Income	(32,685)	(59,120)	(36,258)	(52,172)	(65,162)	(245,398)
Net General Services	66,231	36,521	9,475	(7,643)	(980)	103,603

Table 3: General Services Capital budget summary 2022/23 – 2024/25, agreed by Council on 28 February 2023

5.3 Funding for the capital plan comes from a range of sources including; Scottish Government (General Capital Grant and Specific Ring-Fenced Capital Grants), developer

contributions, capital receipts from asset disposals, other income such as grant funding from other bodies, with the balance made up from borrowing funded through loan charges to the revenue budget.

- 5.4 The current capital investment plans recognise the growth and ambition of the Council, with current plans designed to support the future infrastructure requirements across the Council area. These plans are aligned to the delivery of the approved Local Development Plan (ELLDP 2018) and ambition relating to the commitment from the Council relating to the Edinburgh and South East of Scotland City Deal. The related investments will create significant economic long term benefits for the East Lothian economy, but will place a significant financial burden upon council finances, and affordability remains a key consideration both in terms of the short and longer term.
- 5.5 Whilst much of the current LDP commitment falls within the 5 year capital investment plan, there will also be significant impact on future years and the emergence of a subsequent successor LDP.
- 5.6 As highlighted in previous Council reports, there remains significant external market challenges with wider supply and cost pressures as well as implications from on-going management of COVID and wider external risks. This has continued to add significant additional financial challenges on the current approved capital programme and borrowing levels. Whilst current indications suggest the wider market conditions may stabilise in due course, the financial impact and risk on future capital projects will remain a key area of focus.
- 5.7 Affordability is a key consideration within effective capital planning with the capital investment programme generating significant revenue consequences for the Council, such as staffing, rates, utility costs, cleaning etc, which must be met from within the revenue resource levels available to the Council. At a time where revenue budgets remain under significant pressure, it is essential that capital investment decisions take into consideration the full cost implications facing the Council. This will also be an important consideration in supporting external funding applications which can often divert already stretched staffing resource to support projects which are fully funded, and can take limited resources away from supporting key Council priorities.
- 5.8 Where capital investment can be used to enable the reduction of costs within the revenue account then the strategy will seek to support the inclusion of these schemes, subject to a robust investment appraisal and underlying business case.
- 5.9 In addition, the borrowing for capital infrastructure is funded through annual loans fund payments which are charged to the revenue budget and repaid over the lifetime of the asset. Interest rates have recently increased to a level not experienced for many years. The rates are forecast to stabilise and then only fall gradually in the medium term, which directly impacts on interest payable on new borrowing. It is important to remember that any new borrowing is in addition to existing borrowing and that all borrowing will need to be repaid in the future and capital investment decisions which are taken now must be taken within the context of longer term projections. The capital investment decisions are supported by the Capital Strategy and Treasury Management and Investment Strategy to assess and better understand the implications for both current and future Council Tax

payers and to ensure that investment plans remain affordable and sustainable. Our capital strategy will be focussed on maximising income receipts in advance in order to minimise borrowing where possible.

5.10 Whilst recognising the important role that capital investment has to play in stimulating economic growth and providing communities with vital infrastructure, capital expenditure plans must be prudent, affordable and sustainable. The Capital Strategy for 2024/25 – 2028/29 therefore recommends that General Services capital expenditure affordability is controlled through regular review by the Chief Finance Officer, with reference to overall borrowing levels and the impact of debt repayment charges on the revenue account. With this in mind, the upper limit on new borrowing will be revised and recommended to Council for agreement as part of budget setting in February. This will then be reviewed by the Chief Finance Officer at regular intervals throughout the year, and reported to Council through quarterly budget monitoring reports. To support this, a review of the governance arrangements in place to oversee the capital programme is under way, with a view to ensuring that these arrangements enable regular consideration of the overall affordability of the programme as well as monitor delivery. This will include strengthening the role of the Corporate Asset Group (CAG) and Capital Investment and Asset Management Group (CIAMG) to support the operational delivery of the capital plan and associated strategies, and ensuring that the newly created cross party sustainability forum enhances these arrangements.

5.11 In order to ensure that this control does not adversely impact on the council's capacity for future investment, this strategy will also focus on a comprehensive review of the Council's asset base, with a view to maximising capital receipts where possible. In turn, this will help maintain ambitious levels of future capital investment and will support transformation of council services that will help minimise on-going revenue costs.

Much of the capital programme is underpinned by prevailing economic conditions, including the realisation of developer contributions dependent upon wider housebuilding that are critical to support the delivery of many of the related capital infrastructure projects. Given the current economic climate, the situation will need to be monitored closely and the ability to be flexible and adaptive with our capital planning will prove critical.

6. Reserves

6.1 In determining medium term financial plans and preparing budgets, the Council needs to consider the establishment and maintenance of reserves in accordance with its statutory powers. Reserves can be held for three main purposes:

- Working balances to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of General Reserves.
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of General Reserves.
- A means of building up funds often referred to as Earmarked Reserves, to meet known or predicted liabilities.

6.2 General Services reserves (excluding HRA reserves) available as at 31 March 2023 totalled £26.4 million (note that this reflects the unaudited position). A breakdown of this total is shown within table 4.

	31 March 2022 Balance	Movement	31 March 2023 Balance (unaudited)
GENERAL FUND RESERVE			
EARMARKED			
Committed for Future Budgets	8,707	-183	8,524
Transformation Fund	6,588	-762	5,826
Ring-fenced Funds & Other Balances	3,409	-1,156	2,253
Devolved School Management Balances	1,148	0	1,148
2 nd & Empty Homes Premium for Affordable Housing	1,032	431	1,463
Uncommitted General Fund (General Services) Balance	6,118		7,200
Total General Fund Reserves	27,002	-588	26,414
OTHER RESERVES			
Insurance Fund	2,684	0	2,684
Total	2,684	0	2,684
Total General Fund / Other Reserves	29,686	-588	29,098
HRA	1,748	-261	1,487
Capital Receipts Reserve (incl. HRA)	4,603	10,004	14,607
Total Other Reserves	6,351	9,743	16,094
TOTAL USABLE RESERVES	36,037	9,155	45,192

Table 4: Usable reserves at 31 March 2022 and 31 March 2023 (unaudited)

6.3 Each of these reserves is set out for a specific purpose with the detail of their intended use explained below.

Earmarked Reserves

1. **Requirement to support future budgets:** This balance is held to support future budget plans, aligned to the approved General Service budget for 2023-2028. It is anticipated that this reserve will be fully utilised during 2023/24.
2. **Transformation Fund:** Amounts set aside to support investment in the following critical enablers to support longer term financial sustainability, including asset review, transformation and service redesign, energy efficiency, early intervention and prevention and digital transformation.

3. **Ring fenced funds and other balances:** Midlothian Drug and Alcohol Partnership, other balances, and ring-fenced funds. This reserve also contains funding commitments within service areas relating to previously committed expenditure obligations which have not yet materialised.
4. **DSM:** These funds represent balances established from both Primary and Secondary Devolved School Management schemes.
5. **2nd & Empty Homes Premium for Affordable Housing:** An earmarked fund established by reducing the second home or empty property Council Tax discount for the development of affordable housing. Under Scottish Government direction within certain criteria, Local Authorities can now use this income to support the development of affordable housing, including the disbursement of funds to other organisations or individuals, as well as RSLs. Authority is delegated to the Chief Finance Officer to approve the commitment of funds against this reserve, and this will be reported through the Members Library Service.
6. **Insurance Fund:** The insurance fund is used to insure against a risk, or pay premiums on a policy to insure against a risk. The level of fund retained remains subject to ongoing fund valuations.
7. **Capital Receipts Reserve:** This fund was established from Capital Receipt income which has not yet been applied in year. This Fund can be used meet future capital investment costs either reducing loans fund advances or providing funds to cover the principal repayments of the loans fund.
8. **Uncommitted Balance to support minimum level:** In line with the previous approved Financial Strategy, these specific reserves collectively support the minimum level of uncommitted reserves with more detail set out below.

6.4 It should be noted that many of the reserves listed within table 3 already have post 31 March commitments against them and will be spent during 2023/24. Furthermore, the forecast revenue outturn at the end of quarter two indicates that reserve drawdowns totalling £20m may be needed during the current financial year. This includes unplanned drawdowns of over £8m, although Council agreed a series of mitigation measures with a view to reducing the forecast in year overspend.

Reserves Strategy

6.5 The budget development principles agreed by Council include a commitment to minimising the use of one off resources to balance the budget. While this may be unavoidable in certain circumstances, this should be a short term response only and should not replace the development of a sustainable budget.

- 6.6 As noted above, the Council maintains reserves as a safety net to allow for unforeseen circumstances. There is no statutory definition of the minimum level of reserves: the amount required is a matter of judgement. However, Council has previously agreed to set aside 2.5% of the net revenue budget as the minimum unallocated balance on the general fund, which equates to approximately £7.6m.
- 6.7 Given the current risk environment, along with the projected in year overspend at this point is considered appropriate as part of the financial strategy to work towards increasing the minimum unallocated balance on the general fund over the medium term. Although holding an excessive level of unallocated reserves rather than investing these in improving services would not represent value for money or effective use of resources, the range and extent of risks currently facing the council increases the likelihood that reserves will be needed to support mitigation measures as well as the council's response to future unforeseen events. Given that reserves are not recurring resources meaning that they can only be used once, targeting a minimum unallocated balance of this level is proportionate and not excessive.
- 6.8 In the event that reserves fall below the minimum level, then action will need to be taken to replenish balances accordingly. In the first instance, we would seek to use other earmarked balances for this purpose. If this is not possible then a recovery plan would need to be implemented, with a view to replenishing reserves from the revenue account over the subsequent twelve months.

7. General Services Financial Strategy

Balancing the Budget

- 7.1 The council is legally required to set a balanced budget for the forthcoming financial year and will need to develop detailed and robust plans for closing the gap between expenditure demands and available resources.
- 7.2 Council has committed to developing an approach which combines a range of options to close the gap between available funding and anticipated expenditure including an enhanced programme of transformation, asset review, income generation, cost reduction and efficiency.
- 7.3 Given the scale of this challenge over the next five years, it is prudent for the council to develop credible plans to close this gap in the years subsequent to 2024/25. The size of the potential revenue budget shortfall means that no single initiative can be expected to close the gap. A blend of different approaches will therefore be required, and detailed plans have been developed, aligned to the following broader categories:
1. **Asset rationalisation & Energy Efficiency** - The Council has an extensive operational asset portfolio to support service delivery needs. The Corporate Asset Strategy provides the framework for the efficient management of the Council's core assets, with significant and future investment requirements, it aims to provide a modern, efficient and sustainable asset base that meets the needs of its existing and future service users and employees. The Council has embarked on an ambitious programme to review and rationalise the asset portfolio, in order to support the delivery of

approved budget savings. This includes revenue savings of £5m over the next 5 years, and a capital receipts income target of £20m over this period. The Cross Party Sustainability Forum will support this important area of work by providing oversight and governance to the programme.

The Energy Transformation Board meets regularly to actively explore opportunities for reducing expenditure and potentially raising income from energy such as exploiting renewable energy sources.

Both of these work streams align to the Council Plan priority of responding to the climate emergency and meeting our net zero climate change targets.

2. **Income generation** – Where savings can be delivered through income generation, this helps to reduce the extent to which cuts are required to front line services. This strategy therefore recommends that, as part of the development of the budget, consideration is given to increasing existing charges, and implementing new charges where appropriate. Work is already underway in this area and as outlined in the council’s charging policy, the implementation of charges can also be used to support wider priorities aligned to the Council Plan.
3. **Transformation, service redesign & digitalisation** – A broad range of transformation projects is already underway and the council has robust governance arrangements in place to oversee this. Current projects include the transforming services for children project, facilities management review, purchase to pay review, and redesign of print and mail services. The council also recognises the important role that technology has in making services more efficient and is committed to enabling this. Current digital projects include the online customer platform to improve the customer experience, replacement of the housing management system, and updating / replacing key corporate systems including the financial management system. As part of this strategy, it is important that visibility of the financial and wider benefits of these projects is maintained. Given that 70% of the council’s expenditure represents staffing costs, it will not be possible to close the budget gap without a reduction in this area and it is hoped that the projects in this area will help to deliver some of the change required to manage these reductions.
4. **Early intervention & prevention** – investment in preventative measures supports cost reduction by reducing the need for expensive interventions over time, and also results in improved outcomes for the council’s service users. The council is already doing this successfully in a number of areas but there is an opportunity to go further. Potential areas of focus in relation to this objective include childrens services, homelessness and implementation of the poverty and inequality plan.
5. **Service reductions** - Service reductions will be treated as a last resort as part of this strategy, however, all options will need to be considered in order to safeguard statutory services which are relied upon by the most vulnerable in our communities. Given the scale of the budget gap which the council faces over the medium term, it is now inevitable that some service reductions will be necessary. It is crucial through these considerations that a clear vision on the key priority outcomes for the council is

maintained, so that the constrained funding can be directed accordingly to ensure that these important outcomes are achieved.

- 7.4 Savings plans will need to be aligned to the five year financial strategy, with plans for savings and additional income featuring in each of the five years. This will be a continuous programme of work which will be underpinned by robust governance arrangements to develop plans, monitor progress and evaluate the resources required to progress the different elements of this strategy.
- 7.5 Work to redesign services within the available budget envelope now needs to progress at pace, and this needs to include horizon scanning to contain cost growth within new operating models. It is essential that all services prioritise the delivery of existing and future planned savings in order to support financial sustainability and mitigate the risks which this presents.
- 7.6 In addition to the above measures, officers and members will continue to actively participate in national conversations to raise awareness with Scottish Government ministers, civil servants and CoSLA to highlight the specific challenges which East Lothian faces in relation to its growing population, and the financial pressures which are being placed on revenue and capital budgets as a result of the additional costs of growth.

Critical Enablers

- 7.7 This strategy recognises that the scale of change needed to deliver a balanced budget and ensure financial sustainability will now require a fundamentally different approach to the way in which the council delivers its services.
- 7.8 This is an opportunity to do things differently, and to ensure that the council has the capacity and resources to deliver modern services, aligned to its strategic objectives which meet the needs of the changing demographic of East Lothian.
- 7.9 Investment will be required in order to make it possible for the council to act upon these opportunities, and the following critical enablers have been identified to support the delivery of this strategy:
- **Investing in digital transformation**
 - **Resourcing and enabling the asset review**
 - **Support for service reviews & wider transformation**
 - **Cost reduction through energy efficiency**
 - **Investment in early intervention and prevention**
 - **Developing and growing income streams**

Fiscal Flexibilities

7.10 In response to the Covid-19 pandemic, Scottish Government provided councils with the discretion to apply fiscal flexibilities in response to dealing with financial pressures. Three options are currently available; flexible use of capital receipts, the loans fund repayment holiday and service concession flexibilities. Given the acute financial pressures which the Council now faces, it is appropriate to consider these options in light of these challenges as part of the development of the Council's Financial Strategy. Consideration of each option is set out below:

1. **Flexible use of capital receipts** - Use of capital receipts is typically restricted to capital investment or the repayment of debt but this option permits the council to use capital receipts flexibly to support the revenue budget under certain circumstances. However, given the current pressures on the capital programme and associated financing costs, it is appropriate to continue to apply capital receipts to fund capital. In the future, flexibility may need to be sought on the use of capital receipts if a use linked to longer term cost reductions was identified. This would represent a last resort option and the preferred approach to applying receipts will remain for the purpose of supporting capital expenditure to reduce the borrowing requirement. It should be noted that Scottish Government and HM Treasury approval would be required prior to approving this use of capital receipts.
2. **Loans fund repayment holiday** – This option gives flexibility to reduce the Council's statutory repayment of debt in a single year through a repayment 'holiday'. This was taken in 2022/23 in order to offset the in year overspend and protect the general fund balance.

7.11 **Service concession flexibilities** – this option allows the council to spread the cost of service concession assets over their useful life, rather than over the duration of the contract, resulting in a financial benefit for the remainder of the contract. Council agreed as part of the 2023/24 budget to apply this flexibility, which is expected to result in a one-off benefit to general reserves in the region of £14.5m, and to invest this in supporting wider transformation, as outlined elsewhere in this strategy.

7.12 Each of the above options presents the opportunity to generate a one off benefit to the revenue account, at the expense of deferring repayment of liabilities related to capital spend. Overall, this will result in higher debt repayment charges, and increased pressure on the Council's borrowing requirement. However, the benefits could be used to enable investment needed in measures which will deliver a sustainable benefit to the revenue account, such as the critical enablers outlined above.

7.13 As a general principle, subject to the approval of Council, we will seek to apply these flexibilities only where this can be justified through wider plans to deploy resources in a way which will support future financial sustainability.

7.14 This approach aligns to the budget development principle of minimising the use of one off resources to balance the budget and ensuring that use of reserves is limited to investment that will deliver ongoing cost reductions.

7.15 It should be noted that Council approval and external audit advice will need to be sought prior to proceeding with any of these options.

Wider Revenue Flexibilities

7.16 In November 2022 the Deputy First Minister wrote to councils, recognising the challenging resourcing position presented as a result of the 2022/23 pay deal. Although additional revenue and capital funding to partially offset increased costs has been distributed to local authorities, for East Lothian Council circa £2million remains unfunded. In the context of existing financial pressures and wide ranging national policy commitments, the Council will not be able to address this funding gap through efficiencies, creating a need to revisit existing commitments to assess what can now be delivered within the resources available.

7.17 The letter noted that ‘it is for individual councils, as democratically elected bodies, to consider the needs of their communities with a focus on the most vulnerable, their legal obligations and the totality of resource funding available to them, and to then take the decisions necessary, openly and transparently, to operate as effectively as possible within this context.’

7.18 The letter invites councils to engage with the relevant Scottish Government directorates where consideration is being given the redirecting funding which is legally ring fenced for the delivery of specific policy commitments. With this in mind, the council has undertaken an assessment of its ring fenced funding streams with a view to ensuring that resources are directed towards the areas of greatest need accepting that, subject to consultation with Scottish Government, this will mean that it may no longer be possible for the council to deliver on all of the existing national policy commitments. The majority of ring fenced funding currently supports priorities within education, childrens services, health and social care and the wider impacts of decision making around potential flexibilities will require careful consideration.

7.19 Furthermore, the need to consult with Scottish Government means that the council’s powers to enact this element of our financial strategy will remain somewhat limited if support for our proposals is not conferred by the relevant directorate.

8. Housing Revenue Account

8.1 The Local Housing Strategy sets the strategic approach for the delivery of high quality housing and housing related services across all tenures, to meet identified need. The Strategy has been prepared within the context of a highly pressured housing market, and significant demand for social rented housing. A high level of homelessness applications persist and the economic climate continues to impact on the ability of households to meet their housing needs. Ukraine Energy Efficiency

8.2 Against this backdrop, increasing the supply of affordable housing continues to be a high priority for East Lothian Council ensuring that it meets the needs and aspirations of local people that they live in good quality homes which are located in strong, safe communities.

8.3 In recent years there has been a significant increase in HRA capital spend as both the modernisation and Council house building programmes have been expanded, and as a consequence, the share of revenue spending on debt charges has also increased.

- 8.4 The Strategic Housing Investment Plan (SHIP) sets out the priorities for affordable housing investment in East Lothian over the next five years and will be dependent upon a combination of affordable housing providers, which includes Registered Social Landlords (RSLs), East Lothian Council and the private sector. It will also be dependent on complex funding models delivering different tenures.
- 8.5 East Lothian Mid-Market Homes LLP supports the provision of mid-market rental property, and is a partnership between East Lothian Council and Scottish Futures Trust. The establishment of this vehicle will allow further opportunities to support the delivery of affordable housing across East Lothian.
- 8.6 The Housing Revenue Account is a balancing act between the income raised through rent, the revenue expenditure to support the tenants, and necessary capital investment to support and modernise existing council housing stock and deliver new Council homes. To support this ambition, the financial strategy must ensure that financial plans remain affordable and sustainable both for existing and future tenants. Current budget projections assume a 5% annual increase in rents for 2024/25 onwards. Increases below this level will likely require a reduction in the capital investment programme.
- 8.7 Given this ambition, key areas of focus for the HRA financial strategy 2024/25 to 2028/29 are as follows:
- Reviewing the existing rental levels and implementing a rent restructure within the financial strategy term, to promote fairness and transparency across the HRA portfolio.
 - Ensuring that capital expenditure plans remain affordable and sustainable by maximising subsidy available to support capital investment and maximising the level of Capital Financed from Current Revenue (CFCR).
 - Maximising efficiency and value for money, ensuring that expenditure is focussed on priority areas to maintain and improve the service for tenants.
 - Working with RSL partners to deliver the affordable housing needs across East Lothian and support the ambition set out in the Strategic Housing Investment Plan.
 - Reducing rent arrears, ensuring targeted and flexible support is provided to tenants to who are experiencing financial difficulties.
 - Implementing the new housing management system to support and improve forward planning and customer service;
 - Minimising the impact of debt charges by operating within the recommended upper limit for the ratio of debt charges to income of 40% and maximising the in-year use and application of capital receipts, available capital grants, and revenue balances where possible.
 - In support of contingency planning, ensuring that the reserve or balance left on the HRA does not fall below £1.0 million, allowing the Council to maintain a cushion against any unexpected increase in costs or loss of income.

9. Financial Management

- 9.1 Financial management at East Lothian Council comprises a number of elements. Officers and members are fully engaged in the annual budget setting process, through regular updates and the Cross Party Budget Working Group, which will create a shared understanding of financial plans and budgets, as well as the wider external pressures on the council's finances.
- 9.2 The current external operating environment is extremely challenging, very dynamic and subject to constant change. The financial performance relative to approved financial plans is kept under constant review, and this is supported by regular financial monitoring and scrutiny reports provided to Council.
- 9.3 As part of our normal financial management support service, monthly and quarterly performance reports are issued to managers with budget responsibility and in addition to that, the overall finances of the Council are subject to detailed annual independent audit review.
- 9.4 The need for continued application of enhanced cost control measures remains a vital discipline that all managers should continue to operate, demonstrating effective stewardship and application of council funds at all times.
- 9.5 It is vitally important that through the Council Management Team (CMT), the Council maintains a disciplined approach to the implementation of its change programme and does everything possible to deliver the financial efficiencies planned in accordance with that programme and the supporting budgets. Heads of Service will be required to manage expenditure commitments within approved budgets and if at any time spending pressures are not containable within the Business Group, the relevant Service Manager should report this to their Head of Service and Executive Director who has the flexibility to manage budgets across various business groups.
- 9.6 Although the Financial Strategy quite properly covers the 5 year period until 2028/29, the Strategy will be continue to be subject to an annual refresh to ensure that it remains relevant and enables the Council to respond to any future financial challenges to ensure its on-going sustainability.

Financial Management System (FMS)

- 9.7 In support of good financial management, the council will need to upgrade or replace its financial management system in the coming years. This has been considered and endorsed by the Digital Transformation Board and work towards this is progressing. Although this will represent a complex project with significant resourcing implications, support for the database and operating system for the current software will end in 2026 and 2027 respectively. The considerable benefits that will be derived from updating the legacy system, including greater efficiency and improved management information are fundamental to the successful delivery of this strategy and to sound financial management. This aligns to the council's digital strategy, and the principle of investing in digital transformation as a critical enabler, as outlined elsewhere in this strategy.

Cross Party Budget Working Group

9.8 As part of its revised budget development framework, Council agreed to establish a cross party budget working group to oversee the development of detailed budget proposals and the different work streams supporting this.

9.9 This group has now been established and its role and objectives are as follows:

- Supporting the development of a balanced budget through consideration of budget proposals intended to close the gap.
- Receiving updates on the development of the Council's capital strategy and programme via the asset governance political oversight group, and considering the overall impact of the proposed programme on revenue budgets.
- Providing strategic oversight for transformation work streams.
- Providing political oversight to steer strategic financial planning to ensure alignment between resource allocation and the priorities identified within the Council Plan.
- Promoting greater awareness and understanding of the stakeholder engagement plan and using consultation results to inform the development of political priorities.
- Providing political oversight on transformational work streams and the HRA programme board.
- Communicating financial challenges and opportunities to respective political groups and acting as a conduit to represent the priorities of wider political groups in relation to budget planning.
- Developing effective cross-party working on the development of the annual budget and financial strategies.
- Overseeing the planned deployment of the council's usable reserves and balances.
- Offering feedback and learning opportunities for continually improving this process, through debrief following the Council budget meeting.

9.10 The role of this group is important for the implementation of this strategy, by facilitating greater involvement of all political groups in the development of budget proposals at an earlier stage in the process.

10. Risk Management

10.1 The council's financial strategy is subject to a high degree of risk and uncertainty. In November 2022, managing the financial environment was elevated to a score of 25, which is the highest rated risk that the council has ever seen within its corporate risk

register. This risk remains at this level. The council has robust risk management processes in place to capture risks and to ensure that appropriate mitigations are developed.

10.2 The major risk areas that have been identified in relation to this strategy are summarised below. These are documented in full within the council's Corporate and Service Risk Registers:

- Rising gas and electricity costs;
- High inflation, impacting on the cost of goods and services, as well as contract price increases;
- Meeting the total costs of public sector pay awards;
- Increased demand for council services arising from external factors including the cost of living crisis;
- Reducing levels of core national funding relative to demand, with an increased proportion of overall funding being allocated to specific or new policy objectives;
- Unknown impacts of council tax freeze on funding settlements;
- Risk that the increased rate to employer contributions for teachers pensions will not be fully met through additional funding;
- Short term funding settlements which create significant uncertainty and impede robust medium term financial planning;
- Supporting the resource requirements associated with the delivery of the growth agenda resulting from the Local Development Plan, in particularly the revenue consequences associated with growth;
- Associated demographic change and social-economic pressures;
- Potential financial costs associated with a wide range of new obligations or legislative changes;
- Enhanced risks relating to receipt of S75 contributions arising from wider economic risks which will impact on capital and revenue financial planning;
- Rising interest rates resulting in increased capital financing costs which will present a risk to the sustainability of the capital programme;
- Proposed capital accounting review, with potentially significant financial impact.

10.3 It is recognised that this is not an exhaustive list. By reviewing risk registers on regular basis, it is expected that any major new risks will be identified and appropriate mitigations developed. This information is shared with senior managers, CMT, Audit and Governance Committee and full council on a regular basis.

11. UNCR

11.1 We will ensure that Council commitments to the Children and Young People (Scotland) Act 2014 (Corporate Parenting responsibilities) and Article 12 of the UN convention on the Rights of the Child are reflected in our budget planning. We will do this by ensuring that the voice of children and young people is included through the budget consultation

process and aligning our resources to support these objectives and ensure that as a Council we are doing all that we can to meet the needs of children and young people.

12. Summary

12.1 It is recognised that there are a wide range of risks and variables facing the Council, and there is a need to ensure that the Council has sufficient financial resilience to satisfy delivery of approved outcomes whilst ensuring future financial sustainability. It is now clear that the level of future resources available to the Council will not be sufficient to meet future demand and pressures, and as such, the way in which we deliver services to the community must change.

12.2 To achieve this, the Council must embark on an enhanced programme of transformational change, which embraces digital technology and continues to support Council plans. To protect the delivery of vital essential services, the Council must do all that it can to maximise revenue income streams available, and to support economic growth and achieving wider aims and outcomes, the Council must accelerate a review of all Council assets, which will seek to minimise future revenue costs, and maximise future capital investment.

12.3 The financial strategy set out will assist the Council in meeting the future financial challenges ahead. It is recognised that the wider economic uncertainty and potential scale and significance may mean that the Council must prioritise its resources to deliver and support essential services, and this may in turn require some difficult decisions and choices ahead.

12.4 This financial strategy provides a robust framework for setting the budget for 2024/25 onwards and highlighting the need to take action to ensure the Council can continue to be financially sustainable over the medium term. The current forecast position is extremely challenging, with additional budgetary pressures and expenditure demands significantly exceeding the funding available.

12.5 The strategy will be kept under regular review and updated at least annually.



CAPITAL STRATEGY

2024/25 to 2028/29

Funding and affordability.

Asset maintenance, enhancement and acquisition.

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INTRODUCTION

East Lothian Council has a focus on ensuring existing and new communities continue to be great places in which to live and work, with an even more dynamic local economy. Between now and 2033, the population of South East Scotland is expected to grow by 220,000 people and the Council will need to ensure that services and infrastructure provided are fit for purpose and meet the needs and aspirations of the residents of the county. East Lothian Council's Local Development Plan allocated land capable of delivering just over 10,000 new homes. It also identifies some 200 hectares of employment land for job creation. The plans are ambitious and the Council will need to balance an increasing demand through demographic requirements with the additional pressure on revenue and capital resources.

To safeguard the delivery of sustainable services into the future, it will be necessary to change the way that we do things. This will require a level of investment in transformational change.

The Capital Strategy has been updated to cover the period from 2024/25 to 2028/29 and outlines the Council's priorities as well as the due considerations required relating to funding and assessing affordability. Governance of all aspects of the capital plans are considered and there is recognition that there is a need to balance any investment for the maintenance and enhancement of existing assets against any ambition for the acquisition or construction of new assets. If assets fall into disrepair and they are no longer able to fulfil their primary purpose, then the Council's ability to deliver the associated services is impacted and it has resources tied up in assets that it cannot use.

The Council has a very ambitious set of plans to deliver over £750 million of capital investment over the next ten years, including significant expenditure on the education estate, infrastructure and housing. The investments are crucial to deliver statutory services and to achieve the plans as set out in the East Lothian Council Plan.

The Council's challenging financial position means that it is more important than ever to ensure that we make the best use of the capital resources that are available to us. There is a need to demonstrate that capital expenditure and investment decisions are taken in line with the Council's aims and objectives and, in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, take account of governance, stewardship, value for money, prudence, sustainability and affordability. Cash flow and the phasing of expenditure has to be considered in order for the Council to maximise opportunities for securing external funding.

REGULATION

Local Authorities are required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities (December 2021) when carrying out their duties in Scotland under Part 7 of the Local Government (Scotland) Act 2003. The key messages from the code are, in relation to capital expenditure, the consideration of Prudence, Affordability and Sustainability.

The format of the Capital Strategy reflects the requirements of both the latest Prudential Code for Capital Finance in Local Authorities and the Treasury Management in Public Services Code issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Recent Code revisions have been incorporated into the strategy.

CIPFA's Prudential Code provides a framework for the self-regulation of the authority's capital financing arrangements. It requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital and revenue planning.

A Capital Strategy is part of the Prudential Code requirements and sets out the long-term context in which capital expenditure and investment decisions are made and that gives due consideration to both risk and reward and to the impact of the strategy on the achievement of the authority's priority outcomes.

The Financial Management Code of Practice has been issued by CIPFA 'to provide guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively'. The Financial Management Code applies to all local authorities and brings together statutory requirements and Codes of Practice into one document.

CIPFA's current Prudential Code requires the Capital Strategy to demonstrate the concept of proportionality between treasury operations and non-treasury operations. Non-treasury investments are shown in the Proportionality of Non Treasury Investments section.

OBJECTIVES OF THE CAPITAL STRATEGY AND OTHER KEY DOCUMENTS

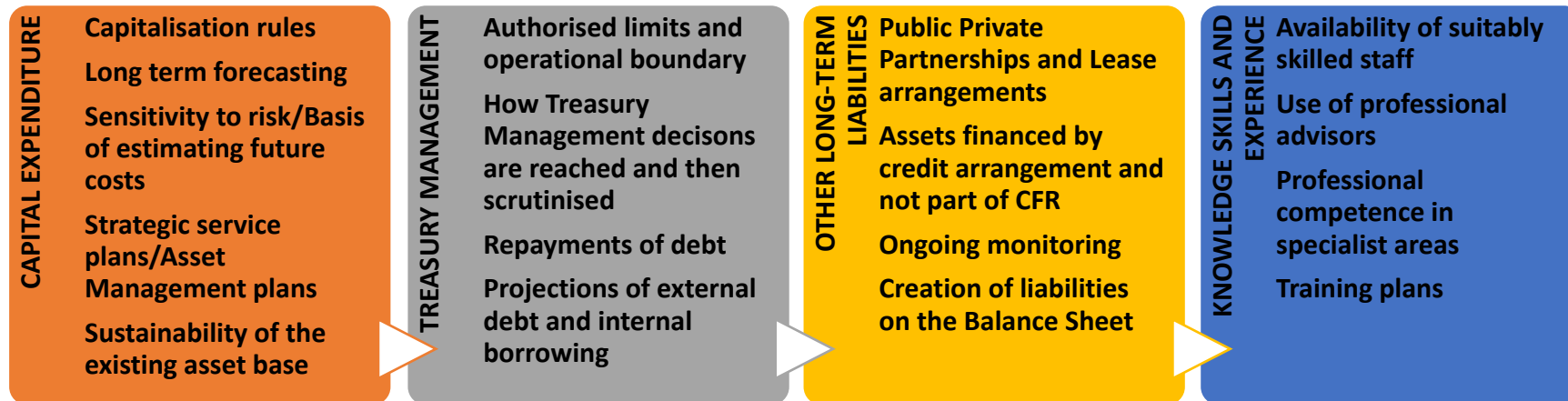
The Capital Strategy is a key document which sets out how the Council will realise its strategic objectives through investment over the medium term, and the governance arrangements which support this. Many other plans and strategies influence capital investment plans, and the strategy seeks to ensure that capital plans are aligned to the Council Plan. The priorities are that:

- capital investment plans are affordable, prudent and sustainable;
- financing decisions are taken in accordance with good professional practice and with a full understanding of the risks involved; and
- robust governance arrangements are in place to support its capital planning activities.

The Capital Strategy is therefore the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities within the Council's 5-year Capital Plan.

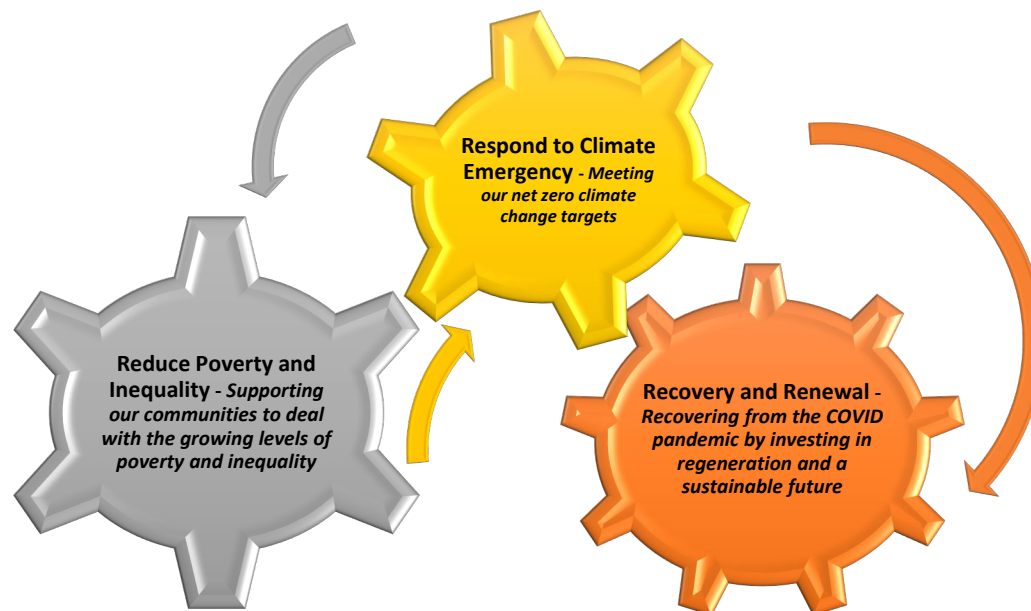
The overarching aim of the strategy is to provide a framework within which the Council's capital investment plans will be delivered. This Capital Strategy updated for the financial years 2024/25 to 2028/29 initially covers a five-year timeframe to allow sufficient opportunity for strategic capital planning. A key purpose of the Capital Strategy is to firmly place decisions around borrowing in the context of the overall longer-term financial position of the Council and to provide improved links between the revenue and capital budgets.

Inevitably, the full picture of the control system around the Council's wide range of capital expenditure and its funding is reflected in a range of documents, monitoring and management arrangements. A summary of four key aspects of capital activities is shown in the following table and further information on the other corporate plans can be found in the next section.



The **East Lothian Council Plan** drives capital investment plans. The Council Plan is the Council's key strategic document. The current plan covers the period from 2022 to 2027.

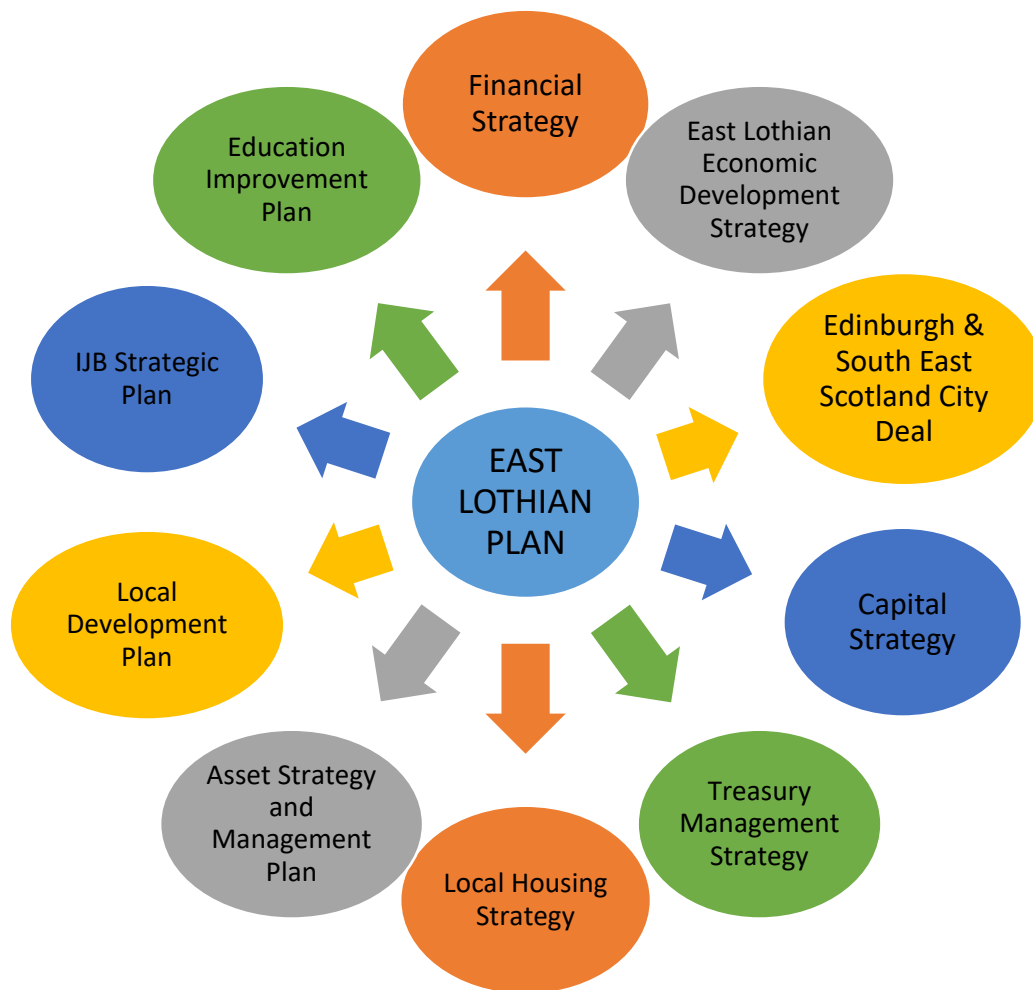
It is based around three overarching objectives that have been set in response to the three fundamental challenges we face:



The Council Plan sets out the Council's ambitious vision of **'an even more prosperous, safe and sustainable East Lothian with a dynamic and thriving economy that will enable our people and communities to flourish.'** The Plan sets out how the Council will strive to achieve this vision with an overarching objective to **'Reduce inequalities within and across our communities'** and four themes:

Growing our Economy	• to increase sustainable and inclusive economic growth as the basis for a more prosperous East Lothian
Growing our People	• to give our children the best start in life and protect vulnerable adults and older people
Growing our Communities	• to give people a real say in the decisions that matter most and provide communities with the housing, transport links, community facilities and environment that will allow them to flourish
Growing our Capacity	• to deliver excellent services as effectively and efficiently as possible within our limited resources

The Council Plan does not sit alone; it is part of a suite of strategies and plans which all focus on achieving the vision for East Lothian. These plans and strategies are pieces of the jigsaw (or Golden Thread) that form the whole picture of what the council and its partners are doing to achieve the East Lothian vision. They include:



In addition to the Council Plan, there are a number of complementary proposals and plans which will also drive the capital strategy. Examples are outlined below:

- The **Financial Strategy** sets out a number of requirements to assist capital investment decisions and importantly, manage the associated risk. For the Housing Revenue Account (HRA), the capital Strategy includes recommended limits from the Financial Strategy to maintain an appropriate long-term balance between the various elements of the HRA budget. The ratio of debt charges to income should be no more than 40%, maximising the use and application of capital receipts, capital grant and Capital Financed from Current Revenue (CFCR) in order to minimise the future impact of debt charges. There is also a minimum reserves policy ensuring that the reserve or balance on the HRA should not fall below £1.0 million. This will allow the Council to maintain a cushion against any unexpected increase in costs or loss of income, and to help to mitigate against risks inherent in UK welfare reform proposals.
- The **Local Housing Strategy** is the sole strategic document for housing, bringing together a wide range of housing related priorities into one place and enabling a co-ordinated response in terms of action. The strategic vision for housing in East Lothian is to have healthy, sustainable homes in vibrant communities that meet increasing levels of need, reduce inequalities and improve wellbeing across all stages of people's lives. There is also a strong connection with the East Lothian Health and Social Care Partnership in providing specialist housing to enable independent living where appropriate and supporting the wider integration of health, social care and housing.
- The main aim of the **Local Transport Strategy** is to provide a mechanism for clean, green and safe travel patterns across the County and beyond. The strategy demonstrates how the Council has applied national, regional and local guidance to its operations. The vision for the Local Transport Strategy has been defined as; "East Lothian will have well-connected communities with increased use of sustainable transport modes to access services and amenities". There are four documents that support this strategy; Road Safety Plan, Road Asset Management Plan, Active Travel Improvement Plan and the Parking Management Strategy.
- The central purpose of the **East Lothian Economic Development Strategy** is to identify the opportunities which east Lothian can exploit to maximise its sustainable economic competitiveness. The strategy contributes directly to economic development objectives set out in the East Lothian Plan. Inclusion in the Edinburgh and South East Scotland City Region Deal is a key opportunity for East Lothian and it will be important to ensure East Lothian optimizes potential economic and social benefits through close partnership working including the opportunity to develop aligned initiatives and funding mechanisms available through the City Deal. Each project must take cognisance of the deal and capture benefits that can be delivered through it. The Cockenzie site is a central area of economic development and unlocking the site and adjacent assets is a key development opportunity for East Lothian.
- Effective management of fleet related assets is critical to the delivery and performance of council services. The **Sustainable Fleet Management Strategy** sets out and controls the management of council fleet related assets. "Our vision is to provide effective fleet procurement, management, and a workshop maintenance service, with a commitment to significantly reducing our reliance on fossil fuels and to make our assets environmentally sustainable within the UK and Scottish governments' timeline of key deliverables". All asset expenditure will be managed by Transport Services via an agreed sustainable replacement/maintenance plan, appropriately funded from dedicated budget allocations. Transport Services will work with services when additional / high cost assets are required that are outside of the approved replacement/maintenance plan to determine if the need can be met through existing wider fleet assets or confirm the need for service units to identify funds to cover such items.
- The **Climate Change Strategy** sets out the Council's vision and overall aims for a Net Zero Council and a Carbon Neutral East Lothian. It sets out what we will do over the next 5 years towards achieving these overall aims, and the specific targets and actions which will help progress towards achieving net zero.

- Capital spending on assets should be fully aligned to the Council’s Asset Strategy and Management Plan and the annual review of the Capital Strategy will ensure that these are aligned as the strategies are reviewed and developed.
- The Council does not work in isolation to deliver capital investment for the county. The East Lothian Partnership is a partnership across a number of organisations from public, private, third and community sectors working together to make life better for the people of East Lothian. **The Local Outcomes Improvement Plan (LOIP) 2017-2027** provides a commitment by all partners to deliver improved outcomes for East Lothian people, with a focus particularly on reducing inequalities and prevention and early intervention. The East Lothian Partnership aims to work collaboratively across its partners with existing governance arrangements including:
 - **East Lothian Partnership Governance Group** whose core membership includes the partners who have statutory responsibility for governance under the Community Empowerment (Scotland) Act 2015.
 - **East Lothian Partnership Forum**, which brings together a wide range of partners with the aim of actively involving them in the Partnership's work including the Area Partnerships.
 - A number of Strategic / Delivery Groups who play a role in delivering the outcomes in the East Lothian Plan - these include **East Lothian's Area Partnerships**
 - A strategic ‘one council’ approach to capital investment decisions must be adopted, ensuring a joined up approach to investment in community priorities.
- The Council is undertaking a Learning Estate Review to consider how the existing capital programme can meet the challenges of population growth and expanded early years’ provision (1140 hours), creating environments that support excellence and equity. A Learning Estate Investment Plan (LEIP) is in place to outline how the Council intends to realise its ambitions to develop a modern, safe, sustainable learning estate that enhances and supports communities whilst improving the lives of families in an equitable manner.
- The Local Development Plan sets out the planning strategy and policies to guide growth and deliver new required infrastructure, in particular for education, community, transport and employment.

The current volatile economic environment will have an impact on the Council and its community in the years to come. It is essential that the capital investments are targeted to ensure it provides essential investment aligned to Council priorities, to stimulate, and support economic growth. Nevertheless, the on-going financial challenges requires enhanced affordability criteria to be applied to the capital investment programme to protect both current and future Council Tax payers. Within this context, the Strategy focuses on an enhanced review of the Council’s asset base, with a view of maximising capital receipts in order to support transformation of council services and maintain a level of future capital investment, and minimising on-going revenue costs.

With this in mind, the Capital Strategy will focus on:

- Continuing to support a Capital Investment Programme, which will provide essential investment aligned to Council priorities both in the short and medium term, stimulate and support economic growth and critically, remain affordable based on a clear understanding of both capital and future revenue costs.

- Maximising the capital income available to the Council, and where possible ensuring this is paid in advance of capital infrastructure to minimise borrowing obligations. The Council should seek to ensure capital income is aligned to the delivery of core priorities and requirements ensuring full consideration is given to on-going revenue costs of capital infrastructure, and ensuring staffing resources are prioritised in line with the delivery of key Council priorities.
- In support of ensuring affordability for current and future tax payers, the Council should work to minimise the impact of additional net borrowing on the revenue account by ensuring that use of alternative sources of funding is maximised. The previous capital strategy imposed an upper limit on new borrowing for General Services of £150 million over the next five years to safeguard the revenue account from excessive debt charges. Given the significant and rapid increase in interest rates since this limit was set, this level of borrowing has now become unaffordable. Capital expenditure affordability for General Services will be controlled through regular, ongoing review by the Chief Finance Officer, with reference to overall borrowing levels and the impact of debt repayment charges on the revenue budget. For HRA, the ratio of financing costs to rent income should not exceed 40%.
- The Council should continue to manage and review the General Services Loans Fund balance ensuring prudence, maximising the use and application of capital receipts, capital grants, and any flexibility arising from revenue balances, in order to minimise the future impact of debt charges
- Develop an approved five year Capital Plan (for both General Services and HRA) underpinned by longer term models which seeks to minimise net borrowing requirements and is considered affordable both in terms of prudential limits and within the constraints of the revenue budget and wider resource requirements.
- Continuing to manage and review the General Services Loans Fund balance, maximising the use and application of capital receipts, capital grant, and any flexibility arising from revenue balances, in order to minimise the future impact of debt charges.
- Delivering an enhanced review of the Council's assets, which will support the way in which we deliver and support services, minimise future revenue costs, and maximise where appropriate capital receipts which can be used to support future capital investment plans.
- There is a commitment by the Council to identify Common Good assets to ensure that ongoing investment related to these assets is considered and funded appropriately.

GUIDING PRINCIPLES

APPROACH TO BORROWING

The Council is able to borrow money on the money market or from HM Treasury (via the Public Works Loans Board (PWLB)) to fund capital schemes or, on a short term basis, use its own internal resources (i.e. cash flow). However for all capital schemes initially funded from borrowing, the Council will have to fund the principal repayment and interest costs, these ongoing borrowing costs are unavoidable revenue consequences.

Borrowing can only be considered under the guidance contained in the CIPFA Prudential Code whereby, in summary, the Council is required to ensure that all borrowing is both prudent and affordable. The Prudential Code was revised in December 2021 and requires authorities to ensure that decisions for capital

expenditure and investment plans are made with sufficient regard to the long run financing implications and potential risks to the authority and include effective due diligence.

The Council takes a prudent approach to capital investment decisions, paying particular regard to service objectives, value for money, sustainability and affordability. Prudential indicators such as the ratio of financing costs to net revenue are used as an indication of the impact of the capital investment plans on the Councils overall finances.

For any new capital business case, which is not self-funded, the responsible manager must, as appropriate, clearly identify and consider the ongoing revenue implications of:

- Fixed interest and principal repayment costs, resulting from borrowing, including borrowing required due to timing of external funding contributions
- Any associated income streams and potential sensitivities
- Project sustainability
- Exit strategies and potential costs
- The relationship between asset carrying values (revalued net book value) in comparison to outstanding debt
- Demonstrating value for money

All of the above should be considered for the life of the asset.

Each business case must clearly identify and consider the ongoing Balance Sheet implications of:

- The expected change in the level of Council Debt
- Address how any changes in asset value would be funded i.e. impairments
- Maintenance of the asset to ensure sustainable use

The Council's Treasury Management Strategy provides further information on the Council's borrowing strategy for the coming financial year.

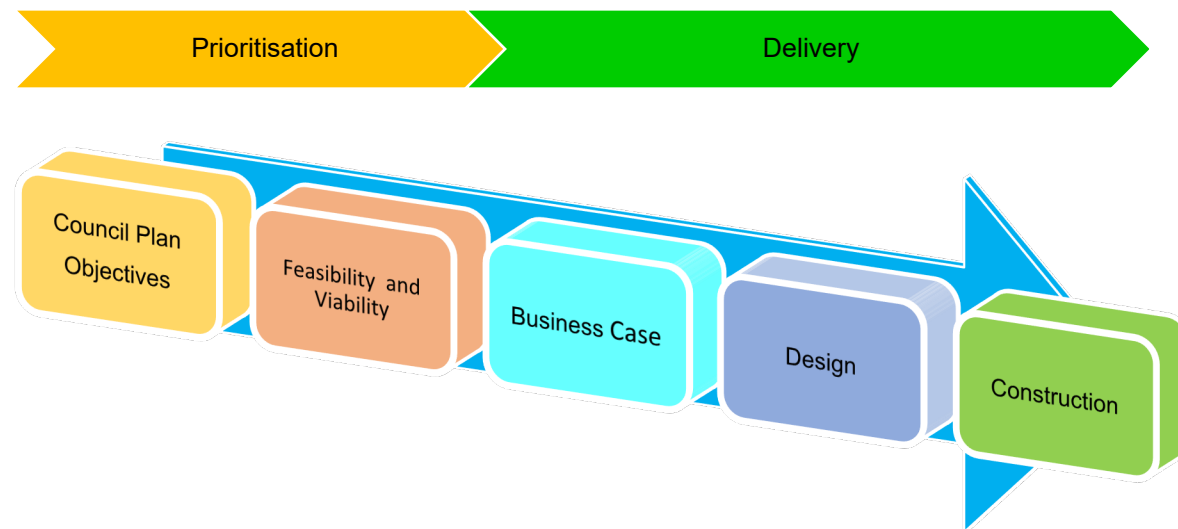
CAPITAL EXPENDITURE BUSINESS CASE

The Capital Business Case will identify the projected running costs and financing costs of the relevant asset and assess the affordability of the proposals both for the initial investment and over the life of the asset. In all cases, the capital expenditure and any ongoing costs must be sustainable in relation to the Council's medium term financial plans.

The business case should take consideration of:

- service objectives and alignment to the council plan;
- stewardship of assets, e.g. asset management planning;
- value for money, e.g. option appraisal;
- prudence and sustainability, e.g. risk, implications for debt and whole life costing;
- affordability, e.g. implications for council tax payers; and
- practicality, e.g. achievability of the forward plan.
- The resource requirements required to develop and deliver capital projects

Each project is brought through a standard process characterised by the following stages, which focus and reduce the options taken forward:



PRIORITISATION AND APPROVAL

It can be difficult for a Council to make choices between competing priorities considering the varied and many services that it provides, balancing delivery of Council Plan objectives against wider statutory obligations within the constraints of affordability. It is the responsibility of senior officers and members to consider and prioritise the competing demands for capital resources in the context of local government funding awarded.

Like many public sector bodies, the Council has experienced significant delays in the physical progress of projects against the approved profile and some cost overruns. This can be directly linked to the size of the programme, capacity to deliver and over optimism about the project in terms of cost, time and external factors outside of the Council's control. When capital schemes are approved their inclusion into the capital programme is based on best estimates and slippage is measured against the approved profile at the end of the financial year. The Council will need to ensure that all projects being proposed for inclusion can be delivered within the timeframe and budget stated prior to programme entry. Resource capacity and size of the programme will need to be assessed annually as part of the budget setting process and a business case assessment of the potential delivery of major projects, as well as at a programme level, should be carried out annually.

When developing a proposal for inclusion within the capital programme, the proposal must meet at least one of the following criteria:

- **The expenditure is required for statutory reasons, for example to ensure that an asset meets any health and safety requirements;**
- **A self-funding scheme which fits in with strategic planning priority outcomes and resource requirements;**
- **A priority scheme with significant external funding;**
- **A scheme directly focused on Council Plan priority outcomes;**
- **A scheme which will support the delivery of recurring savings within the Councils revenue budget (investment to save);**
- **A scheme which will deliver significant social and health benefits within the housing provision.**

It is essential that capital proposals take cognisance of the associated revenue consequences of the initial investment, and demonstrate that these will be affordable on an ongoing basis.

The Council maintains and reports on a rolling five-year capital plan (including its funding) which is updated and reported to the senior leadership team and members on a quarterly basis. The capital plan will include any capital expenditure re-profiling in the previous quarter.

The capital programme is subject to annual approval by Council and it should be noted that any new schemes being added to the programme outside of the budget setting process would also be subject to approval. Reports and business cases must be submitted to an appropriate group for example (CIAMG (Capital Investment and Asset Management Group) for CAG (Corporate Asset Group), LESM (Learning Estate Senior Managers), HRA Programme Board) prior to formal political approval at Cabinet/Council.. There are many groups which consider different elements of the capital plan, and these governance arrangements are currently under review to ensure alignment to the newly established cross party political oversight groups.

The key stages in the Council's prioritisation and approval process for new capital schemes are as follows:

1. The business case can be submitted where a proposal meets the key considerations and Council objectives shown above. The business case would then be considered for progression by the Executive Director for Council Resources and the Head of Finance. Unless there are extenuating circumstances this would be during the capital budget setting process only.
2. For a specific scheme to be approved/funded there will be a requirement for a detailed capital business case. After the initial submission noted above, the capital business cases will be taken through to a wider consultation with the senior leadership and executive teams. Business cases should include evidence of an options appraisal process and its considerations.

If a change in a scheme is to be funded from a previous approval from Council, for example a timing change in construction with no impact to the overall cost of the project, re-profiling of the scheme will be carried out as part of the capital budget setting or monitoring process. This may be a re-profile for slippage or acceleration, depending on circumstances, approval and the maximisation of grant funding opportunities.

If new and confirmed funding is to be used for a scheme to be funded by e.g. a specific grant and if the scheme is supported by the Executive Director for Council Resources, it will be reported to Council.

If a project has a change in cost estimates or scope, an updated business case should be provided which will then go through for Council approval.

Business cases will be subject to annual review and updates, and will incorporate key information required to determine initial and ongoing revenue consequences.

3. Any proposals for invest to save schemes, which are usually funded from prudential borrowing, will also require a detailed business case.
4. Where there is a proposal to transfer capital resources from a previously approved scheme to a new scheme and therefore there is a change to “policy”, the new scheme should be approved by Council with a detailed business case.
5. The Corporate Management Team, Corporate Asset Group and HRA Programme Board alongside Cabinet/Council have responsibility for the oversight and challenge on the delivery of the capital plan including slippage and outcomes.
6. The Council Management Team and Cabinet/Council will receive three quarterly monitoring reports and one outturn report each financial year.

MANAGEMENT AND MONITORING OF THE CAPITAL PLAN

The key objective of the Council's management and monitoring of the Capital Plan is to ensure that all Members and the Council Management Team (CMT) have visibility of the capital plan and the approval of individual capital projects to encourage collective responsibility for the capital expenditure on a project and the success of the schemes themselves.

The Council's CMT should ensure that progress against the programme, in terms of expenditure and timescales, is in line with what has previously been agreed. Where projects are exhibiting cost overruns or delays in the completion schedule, these should be addressed promptly.

Arrangements for approval and monitoring of the capital plan are shown in the Prioritisation and Approval section above, with further information provided within the Executive Director of Council Resources Report below.

GRANT ALLOCATIONS

The Council receives general capital grant funding from the Scottish Government as part of the annual Local Government Settlement. Councils are able to spend this on capital projects that meet local and national priorities to deliver their Single Outcome Agreement or the national Strategic Objective and Purpose.

The Council will consider any possible flexibility in funding streams to seek to ensure that funding is deployed to provide maximum benefit in line with the parameters of the legislation.

Specific Capital Grants, also known as specific purpose grants or ring-fenced grants, are also received and may only be used by local authorities to fund specific capital expenditure. The terms and conditions of each grant are set out separately in the grant offer letters.

The government provides local authorities with some Specific Capital Grants through the Local Government Finance Settlement. Additional Specific Capital Grants are paid to local authorities in Scotland outwith the Local Government Finance Settlement.

The Council can bid for additional external grant funding outwith these funding routes, aligned to support corporate priorities or statutory service objectives and where it can be proved that the project is sustainable, and requirements for match-funding and future revenue consequences have been considered and approved.

CAPITAL RECEIPTS AND CAPITAL CONTRIBUTIONS

The Council receives capital receipts and contributions from:

- Asset Disposals – all capital receipts will be held corporately and used to fund future capital investments or offset debt charges.
- Developer Contributions – unless there are service specific conditions on the use of the contribution, the monies will be used to support existing council priorities and commitments rather than be allocated to new schemes.
- Second Homes Council Tax payments – used for the provision of affordable housing.
- Grant funding from other bodies

The Council is able to use revenue funding and reserves for capital schemes. However, as a result of competing revenue budget pressures and the continued reduction in government support for revenue expenditure, the Council's policy is generally not to budget to use revenue or reserve funds to directly fund capital projects after the feasibility stage.

Where possible, the Council should seek to secure and receive external funding contributions in advance of expending funds on capital projects. Where funding is received in arrears of expenditure, a borrowing requirement can arise which can place additional pressure on debt charges and revenue budget.

As part of the Council's reserves balance and in line with the reserves strategy, the Council has in place the following reserves that can be applied to offset the cost of future borrowing. These funds are not currently reflected to finance existing approved capital investment plans, but remain within the wider Council's General Fund reserves. This remains subject to regular ongoing review.

- Capital Fund & Capital Receipts - established from Capital Receipt income which has not yet been applied in year. This Fund can be used to either reduce loans fund advances or providing funds to cover the principal repayments of the loans fund. Generally capital receipts will be treated as a corporate resource. There is no equivalent fund balance within the HRA account principally due to the cessation of the Right to Buy.
- General Services Capital - established in recent years from flexibility from year end underspends, in order to mitigate against the future impact of growing capital infrastructure commitments.
- Council Tax 2nd Homes - An earmarked fund established by reducing the second home or empty property Council Tax discount for the development of affordable housing. Under Scottish Government direction, Local Authorities can now use this income to support the development of affordable housing, including the disbursement of funds to other organisations or individuals, as well as RSLs.

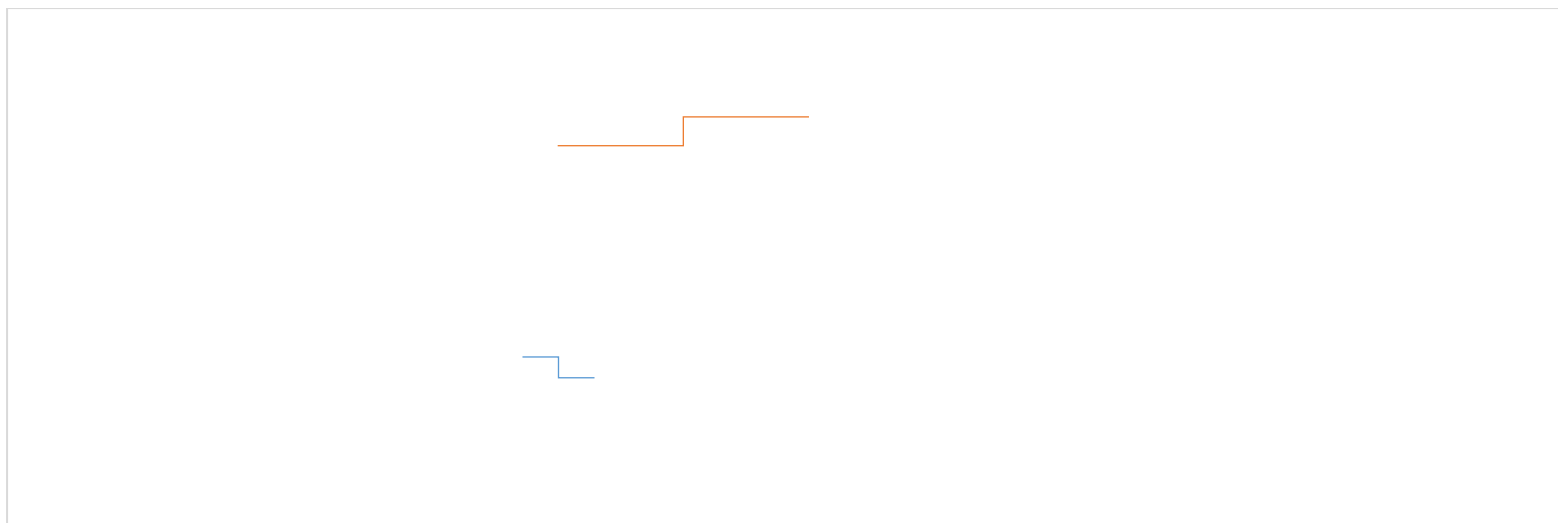
ALTERNATIVE FUNDING AND DELIVERY OPPORTUNITIES

The Council, as appropriate, will continue to consider other methods of supporting capital expenditure within East Lothian and can use its assets to support schemes or aim to maximise funding from any source possible.

The Council continues to bid for additional external funding and/or work with other bodies to secure capital investment or consider use of its own assets in a development, but restricts schemes to those that support corporate priorities or statutory service objectives and where it can be proved that the project is sustainable. Requirements for match-funding and future revenue consequences must be considered and approved along with an assessment of the opportunity costs of alternative options. All schemes are to be agreed with the Executive Director for Council Resources prior to submission and/or contractual commitment.

PROPORTIONALITY OF NON-TREASURY INVESTMENTS

Non-treasury investments include material investments in subsidiaries, joint ventures, loans to third parties and financial guarantee activities and are separate from the day-to-day treasury management activities. The Council holds non-treasury investments in East Lothian Land, East Lothian Investments, East Lothian Housing Association and Lothian Buses to the value of £13.5 million. The Council also holds investment balances with Investec for Common Good and Trusts. Non-Treasury Investments represent investment for service reasons to meet the needs of the people of East Lothian. They are investments for areas such as transport, investment in growth for the county and social housing. They do not generate a return in monetary terms but result in a social, economic or environmental gain.



ASSET DISPOSAL STRATEGY

Purchases of assets are primarily to be retained in the long term. However, the Council Management Team will regularly review the asset base to consider where the costs of maintaining any assets outweigh the ability of the asset to fulfil its role in the delivery of services. The review will need to consider the resulting impact on the Council's operational delivery and any costs of disposal.

The strategy for fleet assets is that where the fleet life has not expired but due to either reliability, being beyond economical repair or unable to be reallocated due to changes in service requirements, assets will be disposed. Where the fleet life has expired, either an asset will be held for ongoing use or sent to auction for disposal. Auction disposal provides transparency and provides best disposal value. At all times when considering fleet replacement/disposal overall fleet efficiency is a key consideration.

The strategy for asset disposal is that if an asset is no longer required for service delivery and does not meet the criteria for retention or for inclusion within the non-operational property portfolio, the asset will be declared surplus to the Council's requirements and will be placed on the market for sale. Where a market sale may not be achievable, for example if the market is depressed, retention and inclusion of the asset within the non-operational property portfolio may be considered, provided the following criteria are met:

- market demand – there is a good letting prospect
- suitability for inclusion in the non-operational property portfolio
- good revenue potential with minimal short to medium capital outlay
- good potential for medium to long term capital growth

There is also the option for a community asset transfer to take an asset out of use by the Council. Part 5 of the Community Empowerment Act from the Scottish Government introduced a right for community bodies to make requests to all Scottish Local Authorities, Scottish Ministers and a range of public bodies for any land or buildings they feel they could make better use of. A request can be made for ownership, lease or other rights as they wish. The Council must transparently assess requests against a specified list of criteria, laid out in the Act, and agree the request unless there are reasonable grounds for refusal.

Surplus assets are managed during the disposal process to minimise vacant property, maintenance and security costs.

All capital receipts will be held corporately and used to either offset debt charges or fund future capital investments.

TRAINING AND SKILLS

The Corporate Finance Capital and Treasury teams have responsibility for both the preparation of and on-going management of the capital and treasury management strategies and Capital Programme. The team is staffed by professionally qualified accountants with extensive Local Government finance experience. Team members attend relevant training courses, workshops and events to ensure that their knowledge and skills are up to date and the Council is in a position to address all new technical developments. They follow a Continuous Professional Development Plan (CPD) as part their individual accountancy accreditation. The overall responsibility for capital and treasury activities lies with the Council's Section 95 Officer who, in accordance with statute, is professionally qualified and is suitably experienced to hold the post.

The Council aims to provide training to Members on a regular basis, which is delivered by Council officers and external advisors. This ensures Members have a full understanding of key issues and have the appropriate knowledge and skills to make capital and treasury decisions. Members are updated on developments and issues of significance throughout the year, with information presented to the Audit and Governance Committee (for Treasury Management), Cabinet and Council meetings as part of the Financial update (monitoring) reporting.

The Council currently uses the Link Group, Treasury Solutions as its external Treasury Management advisors and recognises that it is essential to engage with external providers of Treasury Management services in order to acquire access to specialist skills and resources.

TREASURY MANAGEMENT LINKS

All capital decisions to be funded by prudential borrowing will directly affect the Council's Treasury Management activities. The level and timing of the capital expenditure will be reflected in the capital plan once approved and in the strategic cash flow forecasts to plan for the required borrowing.

The resulting costs and any income to fund those costs will be included in the standard budget monitoring and budget setting process. The annual setting of both the Operational and Authorised Limits (for borrowing) will also monitor total borrowing.

BALANCE SHEET CONSIDERATIONS

The impact of capital projects and any prudential borrowing taken have an impact on the Council's balance sheet.

1. Increase in the value of the Council's non-current assets
2. Increase in the Council's long-term borrowing
3. Maturity profile of borrowing and repayment of borrowing
4. Profile of loans fund repayments
5. Increase/decrease in Capital Financing Requirement (CFR)
6. Annual depreciation on operational assets
7. Regular revaluation or impairment on operational assets
8. Impact on Council's cash flow in delivery stage or on purchase
9. Impact on Council's cash flow at time of borrowing

EXECUTIVE DIRECTOR OF COUNCIL RESOURCES: STATEMENT ON DELIVERY, AFFORDABILITY AND RISK OF THE CAPITAL STRATEGY

BACKGROUND

The capital strategy is designed to comply with the requirements of the CIPFA Prudential and Treasury Management Codes and the relationship between the Council's capital programme funding and the resulting treasury management activity and the implications for future sustainability considering affordability and sustainability.

SUMMARY OF THE BORROWING POSITION

The table below shows the Council's current forecasted borrowing position and borrowing need including the Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Council's indebtedness and the underlying borrowing need. Any capital expenditure which has not immediately been paid for through a revenue or capital funding stream, will increase the CFR.

The Council has a number of on-going Public Private Partnership (PPP) and lease arrangements shown as Other Long-Term Liabilities (OLTL) in the table below. The Council currently had £33.779 million (at the end of 2022/23) of OLTL within the CFR.

The Council's actual level of borrowing at the end of 2022/23 was £458.540 million. The Council is currently in an under borrowed position. Under borrowing is the difference between the CFR and external debt. This means that the capital borrowing need is not fully funded by external debt but is supported by the Council's reserves and working balances as a temporary measure.

**Actual Debt and the Capital Financing Requirement (CFR)
(including Other Long Term Liabilities)**

£'000	2022/23 Actual	2023/24 Q2 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
External Debt						
Debt at 1 April	424,761	441,503	490,413	548,509	593,388	596,035
Expected change in Debt	16,742	48,910	58,096	44,880	2,646	1,764
Other long-term liabilities (OLTL)	33,779	32,214	30,687	29,104	27,245	25,148
Expected change in OLTL	(1,565)	(1,527)	(1,583)	(1,860)	(2,096)	(1,902)
Actual gross debt at 31 March	458,540	473,717	521,100	577,613	620,633	621,183
Capital Financing Requirement	511,228	567,656	617,934	673,050	706,422	706,418

The CFR does not increase indefinitely, as annual repayments from revenue are made which reflect the useful life of capital assets financed by borrowing. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years as per Section 2.3 of the Treasury Management Strategy 2022/23.

The operation of the loans fund is regulated by statute, with updated regulations: (The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 (the 2016 Regulations)) being in force from 1 April 2016.

It is important to note that the Council has for a number of years been projecting a significant borrowing requirement but has not yet needed to undertake the full projected borrowing as there has been reprofiling of the Capital programme and working balances available, resulting in an under borrowed position.

EXECUTIVE DIRECTOR OF COUNCIL RESOURCES REPORT

The Prudential Code states that it is the responsibility of the Council's Chief Finance Officer (Executive Director for Council Resources) to explicitly report on the affordability, deliverability and the risks associated with this Strategy. These key elements are set out in the following paragraphs.

Affordability is a key criterion when considering whether a project should be approved for inclusion within the Capital programme. Before any decisions are made, new schemes must be underpinned by a business case identifying the expenditure and funding, appraisal of alternative options and the risks and rewards associated with the scheme. The Business Case preparation and consideration process is set out fully in the Capital Business Case and Prioritisation and Approval sections of this Strategy.

All projects must also have a clearly identified capital funding source with a definite commitment of financial support if external funding, such as an external grant, is to be used. Also, there must be an identified source of funding to support any on-going revenue costs associated with the use of a capital asset, and these must be built into future years financial projections.

Where borrowing is to be used, the affordability test is the ability to fund interest costs linked to the borrowing, together with the statutory repayment of the borrowing (the loans fund charge). This repayment is matched to a prudent asset life and any income streams estimated to fund this asset must be sustainable. The 2016 Regulations set out the requirements for the appropriate governance of such borrowing and the Council's processes comply with the requirements of the Regulations.

The **delivery** of the individual projects within the Capital Programme is directly linked to the process of approving the capital scheme. Each scheme has a project sponsor and a manager responsible for the delivery and the subsequent achievement of the scheme objectives.

The Corporate Asset Group (CAG) meets on a regular basis to discuss and make decisions on areas such as the Community Intervention Fund and any Community Asset Transfer requests as well as the wider capital plan. The Asset Project Board meets on a monthly basis to discuss and support the asset review and a Cross Party Sustainability Forum has been established to provide governance for the asset review.

Project updates are provided at the regular meetings of CMT as well as an overarching update on the Capital Programme. This facilitates the review and challenge to the delivery of projects and any changes to both the timing and value of the programme. In addition, an annual Financial Review of the Capital Programme is completed each year and submitted to full Council. The financial review process should ensure that all schemes are examined to determine whether they are still aligned to corporate priorities. In year quarterly reporting also considers the deliverability and progress of schemes including any reasons for delayed starts or variations to approved budgetary allocations. It also considers re-profiling of planned expenditure and identifies any unutilised or underutilised resources, which could be reallocated to other projects.

The Council's senior officers also have the opportunity to review and challenge project and programme delivery via monthly updates on the changes/re-profiling of expenditure.

The Council is exposed to a range of **risks** with regard to the continued affordability and delivery of the Capital Programme as follows:

- Financial risks related to the investment of the Council's assets, cash flow and market volatility;
- Macroeconomic risks related to the growth or decline of the local economy, interest rates, inflation and the wider national and global economy. Of particular relevance in this regard is the legacy of the COVID-19 pandemic and Brexit which some commentators believe has contributed to significant increases in material prices and supply chain disruption across the construction industry.
- Inflationary pressures currently being experienced may have adverse financial implications for other approved capital projects that are currently under development;
- Insurance risks whereby some contractors are either unable or unwilling to put policies and cover levels in place which meet the Council's requirements. Equally, some insurers are broadening the scope of policy exclusions which may mean some construction risks are uninsurable;
- Credit and counterparty risks related to investments, loans to public and private institutions;

- Operational risks related to operational exposures within its organisation, its counterparties and partners;
- Strategic risks related to key initiatives undertaken by the Council such as areas of organisational change deemed necessary to enable the Council to meet its goals and objectives, significant capital schemes, major acquisitions and new ventures;
- Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception;
- Environmental and social risks related to the environmental and social impact of the Council's strategy and interests. This is a risk that is becoming more high profile given the recent national and international publicity in relation to climate change;
- Governance risks related to ensuring that prudence and careful consideration are prominent in the Council's decision-making, augmented by quality independent advice and appropriate checks to ensure that the Council has the correct level of oversight, scrutiny and efficiency; and
- Risks arising from a financial commitment by the Council in line with Government policy when that policy is then changed mid-stream leaving the Council to manage the position.

CONCLUSION

Managing the Council's risks is an area of significant focus for senior management and Members. It is important to recognise that there are significant risks associated with a large capital programme and associated borrowing, but as far as possible these are mitigated as part of the Council's Treasury Management Practices.

As advised above, where there is a robust capital business plan process, project management arrangements and/or project boards in place and all projects are delivered by suitably skilled staff. Appropriate consideration is also given to tax (VAT) planning, cash flow and the operational planning and resource implications for the use of any asset. Governance is addressed by the establishment of officer/Member working groups with regular and transparent reporting. Due diligence is undertaken on loans and purchases and external advice is sought where necessary.

There are clear links from the Capital Strategy to the Financial Strategy and Treasury Management Strategy, prudential indicators, authorised borrowing limits and the revenue budget. These are also subject to review and oversight by Members at Audit and Governance Committee, Cabinet and Council.

Risk increases with any new borrowing and officers and members must be mindful of this when considering funding arrangements for capital investment. New borrowing will increase the Council's annual level of fixed interest and repayment costs which are already currently forecast to increase in the coming years and could have a borrowing liability of £621.042 million by the end of 2027/28.

Because of this, monitoring and reporting arrangements must allow for capital plans to be regularly revisited and updated with reference to ongoing considerations around prudence, affordability and sustainability.

The pace and level of change in the Council's borrowing is still significant and all members need to be fully informed as to all implications of its capital investment decisions with particular bias on those funded from borrowing.

APPENDIX A

KEY RATIOS AND PRUDENTIAL INDICATORS

Note: Years 2024/25 – 2027/28 are budgets approved in February 2023

Ratio of financing costs to revenue stream

	Year End	Qtr 2	Estimate	Estimate	Estimate	Estimate
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
General Services						
GS Revenue Stream	293,293	297,453	305,389	311,231	319,080	325,520
GS Financing Costs	7,988	13,000	16,000	17,515	17,303	16,498
Ratio - Financing/Revenue Stream	2.72%	4.37%	5.24%	5.63%	5.42%	5.07%
HRA						
HRA Revenue Stream	36,538	37,482	40,113	42,982	45,958	48,443
HRA Financing Costs	10,999	12,706	14,685	16,471	18,098	18,959
Ratio - Financing/Revenue Stream	30.10%	33.90%	36.61%	38.32%	39.38%	39.14%

Actual Debt and the Capital Financing Requirement (CFR) – excluding Other Long Term Liabilities

	Year End	Qtr 2	Estimate	Estimate	Estimate	Estimate
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Total External debt at start of year	424,761	441,503	490,413	548,509	593,388	596,035
Expected/Actual change in debt	16,742	48,910	58,096	44,880	2,646	1,764
Actual/Estimate gross debt at 31 March	441,503	490,413	548,509	593,388	596,035	597,799
The Capital Financing Requirement	535,442	587,247	643,946	679,178	681,270	685,874
(Under)/Over borrowing	(93,939)	(96,834)	(95,437)	(85,789)	(85,235)	(88,075)

Authorised Limit for External Debt

	Year End	Qtr 2	Estimate	Estimate	Estimate	Estimate
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	601,000	628,000	711,000	721,000	740,000	756,000
Other long term liabilities	33,000	31,000	30,000	28,000	26,000	24,000
Total	634,000	659,000	741,000	749,000	766,000	780,000

Operational Boundary for External Debt

	Year End	Qtr 2	Estimate	Estimate	Estimate	Estimate
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	535,442	587,247	643,946	679,178	681,270	685,874
Other long term liabilities	32,214	30,687	29,104	27,245	25,148	23,246
Total	567,656	617,934	673,050	706,422	706,418	709,120



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East Lothian Council
John Muir House
Brewery Park
Haddington
East Lothian
EH41 3HA

www.eastlothian.gov.uk
Call Centre **01620 827 827**

REPORT TO: East Lothian Council
MEETING DATE: 12 December 2023
BY: Chief Executive
SUBJECT: Corporate Risk Register 2023-24

4

1 PURPOSE

- 1.1 The Corporate Risk Register was last fully reported to Council in August 2023, with the High and Very High Corporate Risks being reported in October 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 27 November 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 considers 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 27 November 2023, currently includes 7 Very High Risks, 7 High Risks, 6 Medium Risks and 1 Low Risk.
- 3.3 A CMT sub-group on Risk Management 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' continues to have both current and residual risk scores of 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 A new risk has been added at CR14 on a National Power Outage (NPO) to reflect the potential impacts of such a risk, including the current measures the Council has in place to mitigate this risk and planned measures the Council is progressing to reduce the impact of such a risk. This risk will be further refined following receipt of anticipated national guidance in respect of NPO.
- 3.6 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, Sport, Countryside & Leisure (Forestry Team), Connected Communities (Port Seton Centre and Pennypit) and Property Maintenance (Stores). These services' Business Continuity Plans are invoked predominantly in response to staffing pressure arising from a very challenged employment market, limited volume and calibre of response to recruitment campaigns and increased demand for services. Activation of Business Continuity Plans for these services results in the available staffing resource being deployed to deliver 'business critical' activities as priority.

- 3.7 Council can be reassured that CMT, its Sub-Group, the Corporate Risk Management Group and its 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.
- 3.8 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, v4.

AUTHOR'S NAME	Scott Kennedy	
DESIGNATION	Team Manager - Emergency Planning and Resilience	
CONTACT INFO	skennedy@eastlothian.gov.uk	01620 827900
DATE	27 November 2023	

East Lothian Council Corporate Risk Register 2023-24 V4

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		
ELC CR 1	Financial Service Objectives	<p>Managing the Financial Environment</p> <p>The Council is operating in the most challenging and complex financial operating environment it has ever faced. There remains significant immediate and future external cost and demand pressures being placed on the Council, which simply cannot be met within the resources which are now being made available.</p> <p>These include:</p> <ul style="list-style-type: none"> The level of national funding being made available to this Council to deliver local services is now at an unsustainable level, and increasingly complex. <ul style="list-style-type: none"> An increasing proportion of funding being directed to support new policy and legislative requirements and lack of flexibility in how it can be used. The increasingly complex, national short-term funding settlements create significant uncertainty and impede robust medium term financial planning and on-going sustainability. An increasing and significant range of external and inflationary cost and demand pressures including: <ul style="list-style-type: none"> High inflation with rising cost of goods and services and commissioned contract services. Significant challenges relating to high utility costs. Meeting the total recurring costs of public sector pay awards. There remains a significant and increasing challenge facing this Council in supporting the resource requirements associated with the delivery of the growth agenda resulting from the approved Local Development Plan, which is driven largely by national statutory planning. This includes financing of essential infrastructure, and in particularly the revenue consequences associated with growth. The Council is facing significant challenges in the affordability of supporting current and future infrastructure obligations. <ul style="list-style-type: none"> Higher interest rates resulting in increased capital financing costs which will present a risk to the sustainability of the capital programme. Significantly higher costs of construction in excess of approved budget levels. Increased gap between approved S75 contributions and cost of infrastructure aligned to growth, with the increased cost being placed on the Council to meet. There remain continued risks around the level of national funding being made available to support planned flood protection schemes given the on-going national review of the flooding resources. 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. There remains on-going uncertainty relating to the proposed national capital accounting review, which 	<p>The Council has well developed medium term financial planning arrangements, which have recently been updated as part of the recent review of budget development framework.</p> <p>The budget development framework now incorporates a cross party budget working group, which meets regularly throughout the year to progress budget development options.</p> <p>The Council annually refreshes the Financial Strategy, Capital Strategy and Treasury Management Strategy to take cognisance of any new / emerging financial risks. These documents support the medium-term financial planning for the organisation.</p> <p>The Council has approved an enhanced reserves strategy, which sets out the current level of reserves and associated commitments, including a requirement to maintain a minimum level of uncommitted reserves to support any unforeseen event.</p> <p>The Council has a wide range of on-going cost control and financial management arrangements to manage in year budget performance and delivery of planned efficiencies. This includes regular management information to CMT and wider Council management, and quarterly financial reporting through political governance. This provides mitigating controls in terms of the immediate financial risk and pressures the Council is faced with.</p> <p>Given the scale of the escalating levels of financial risk and pressures, the Council has already agreed to continue with an enhanced range of urgent cost control measures aimed at mitigating and limiting the scale of these rising costs. Officers across the Council are now operating enhanced financial controls within these approved mitigation parameters.</p> <p>Council officers will continue to progress the delivery of planned efficiency savings aligned to Council decisions.</p> <p>The Council Leader has also written to UK and Scottish Government setting out the scale of financial challenges and urgent review on how local government is funded.</p> <p>The Council met with cross party-political representation with the Deputy First Minister on 23 August 2023, to set out the significance of the financial implications facing this Council aligned to supporting a growing population and national statutory housing land allocations. Officers</p>	5	5	25	<p>Officers continue to implement enhanced financial controls aligned to Council approved mitigation measures.</p> <p>Given significant concerns relating to the on-going affordability of the Capital Programme as well as associated revenue costs, officers continue to review the Capital Programme with an initial update presented to Council in October. This will continue to remain under review.</p> <p>Continue to support national discussions through CIPFA Directors of Finance aligned to ensuring the on-going financial sustainability of local government.</p> <p>Continue to progress the delivery of an enhanced Transformational Programme and Asset Review aligned to the approved budget development principles, which will support the further transformation of services and deliver and enhanced programme of efficiencies.</p> <p>On-going engagement with Scottish Government and COSLA on local government funding and distribution to support a fair and adequate allocation of resources to deliver local services.</p> <p>Given the significant scale of the funding gap, on-going work with CMT and elected members to accelerate, develop and implement additional budget savings proposals, which will also include budget and service reductions and income generation opportunities aligned to the meet the scale of the funding gap over the medium term. These budget savings options will remain aligned to the principles of the budget development framework.</p> <p>Continue to engage with Scottish Government and COSLA to adequately resource the funding requirements associated with population growth arising from the Local Development Plan, taking into consideration both revenue and capital costs.</p> <p>Continue to support regional placed based funding discussions with City Region Deal Partners.</p> <p>Continue to seek urgent national agreement with DFM for additional place-based revenue funding for East Lothian.</p>	5	5	25	<p>Actions ongoing and under continuous review while monitoring arrangements will continue to be applied.</p>	<p>Risk reviewed by Head of Finance and Executive Director Council Resources (CFO), October 2023, with no changes to risk scores.</p> <p>Risk reviewed by Head of Finance and Executive Director Council Resources, August 2023 with residual score increased to 25 given the scale of the current financial challenge.</p> <p>Risk refreshed November 2022 by CMT Sub-Group on Corporate Risks with current score increased from 20 to 25 and residual from 16 to 20 due to the current climate.</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>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> <ul style="list-style-type: none"> The 2022/23 financial accounts currently remain in draft and will not be concluded until mid-December 2023. The financial results therefore remain in draft and subject to change. Given the severity of the financial challenges facing the Council, this delay presents a further risk in forward planning given the current uncertainty relating to the 2022/23 financial position and results. <p>The Council is operating in an extremely challenging financial environment and is current forecasting an overspend of £22.17m in 2023/24, and after applying planned reserves reduces £10.3m. The Council's minimum level of reserves is currently £7.2m. If this level of overspend materialises this will not only remove the unallocated balances but will also require a redirection of earmarked reserves aligned to supporting critical transformation activities with a view to delivering recurring savings. This will adversely impact on the delivery of strategy and operational activities which rely on funding from these reserves and will also significantly enhance the financial risk and resilience of the Council with low levels of 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>The FM has recently announced a proposed Council Tax freeze for 2024/25, and this remains the subject of national discussions. The FM has indicated his commitment to ensure Councils are compensated for the Council Tax freeze. The funding gap facing the Council for 2024/25 is equivalent to a Council Tax rise of 32%. In addition, there remains a significant funding gap in excess of £1m to support the national CTRS. Collectively this is likely to place further financial pressure on this Council, both to manage the delivery of a balanced budget for 2024/25 and the recurring impact.</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>continue to pursue the key asks set out in this meeting, including the urgent need to provide additional funding, and continue to support place-based funding regional discussions aligned to City Region Deal.</p> <p>Following on from the FM announcement to freeze Council Tax for 2024/25, the Council Leader has written to the FM and DFM setting out his concerns and impact on the financial sustainability of this Council. Senior officers have also expressed concerns through national discussions.</p> <p>Senior officers continue to lobby and set out the severity of the Council's financial position in national discussions with COSLA, wider professional bodies such as CIPFA Directors of Finance and SOLACE and wider professional commentators, and professional advisers to consider the financial sustainability of Local Government and associated challenges.</p> <p>COSLA and Scottish Government have recently approved a new 'Verity House' agreement which sets out a new relationship between local and national government including discussions around national funding. Senior Officers continue to feed into national discussions supporting this.</p> <p>Given the significance of the financial challenge facing the Council, financial reviews will now report formally to Council rather 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>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> <p>Finance officers are working pragmatically with Audit Scotland with a view to concluding the 2022/23 statutory annual audit.</p> <p>National pay negotiations for most of the pay bargaining groups is now concluded for 2023/24, providing some certainty around the pay award for staff.</p>				<p>Continue to work with Audit Scotland to conclude the 2022/23 statutory audit, and this is anticipated to be finalised mid December 2023.</p> <p>The Scottish Government will publish its draft budget for 2024/25 on 19 December, and this will provide some clarity to the national funding this Council is likely to receive for 2024/25. It is currently unclear whether this will form a multi year funding settlement.</p> <p>Discussions are on-going across CIPFA Directors of Finance to determine how the funding package aligned to LG Pay deal will be supported and the associated financial implications for this Council.</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		
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>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, albeit that remedial works at Preston Lodge High School and Ross High School are progressing well.</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>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> <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. Whereas 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</p>	5	5	25	<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. 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>There is insufficient budget for the scope of work required. The Property Renewals Budget (circa £2m/annum) doesn't 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>	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 / 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>Use of part of buildings subject to inspections may be restricted or unavailable for a period of time following assessment.</p> <p>Currently there is an uncertainty in relation to material availability and delivery times to carry out the major summer works programme.</p> <p>Assess property estate against Scottish Government targets and imminent changes to energy performance requirements to address Climate Change. Plan programme of works to improve performance of buildings. Significant additional finance commitment and staff resource is required to achieve this, assess the current status, and plan works to bring buildings up to the required standard.</p> <p>There is currently a risk in relation to the lifecycle, maintenance and repair of Council assets which are operated by children's services (i.e. Lothian Villa Meadowmill and Olivebank)</p> <p>The need to ensure school security is enhanced and aligned between the asset and educational practice.</p>	<p>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>Risk highlighted at ELC PPP Monthly Meetings and at Innovate Board Meetings.</p> <p>Areas requiring immediate action highlighted to Innovate, PPP Provider, inspections carried out and reports received.</p> <p>Transformational work progressing to move to a Corporate Landlord Model and a fully functional, comprehensive property asset management system, possibly by expanding the capability of the existing CIPFA modules held by Engineering Services and Finance.</p> <p>The Learning Estate Improvement Strategy was approved by full Council in December 2022. An associated learning estate improvement plan is the final stages of development and will be used to support works associated with the learning estate.</p> <p>Education and Strategic Asset Management teams work closely to analyse the data provided by Education and identify requirements arising as a direct result of proposed development.</p> <p>An enhanced and robust school roll projection and class organisation system is in place in Education, which determines the future capacity needs of schools.</p> <p>Regular review meetings are held between Education, Planning, Finance and Strategic Asset and Capital Plan Management.</p> <p>Regular engagement with Care Inspectorate re-quality of care environment. Property Inspectors and the Asset Team within Engineering Services identify priorities on a 3-year rolling programme and implement within available budgets. Work is prioritised on a risk management basis, addressing statutory compliance matters first (fire safety, electrical, safety DDA etc.).</p> <p>PPP Team and Engineering team to review and align work streams related to asset security with Educational operational requirements and practice.</p>				<p>Surveys are well advanced and continuing and have already identified remedial works, some of which have been instructed.</p> <p>Remedial works may involve installation of access hatches or similar to enable ongoing inspection by a structural engineer. However, it is anticipated that certain areas identified shall require replacement roofing works and significant resource & budget to address these findings.</p> <p>Formal notification of further inspections by consultant appointed by ELC has been issued to Innovate, PPP Provider.</p> <p>'Discovery Survey' Inspections have been carried out in all eight PPP properties. Further investigation is required in a number of areas. Significant issues have been identified in Preston Lodge High School and mitigation is ongoing. Issues have also been identified at Ross High School – Further investigation is progressing to establish the required action.</p> <p>Contingency plans are being prepared to mitigate restricted use or unavailability of parts of buildings following assessments. Council Management and Executive Team to be made aware of emergency planning proposals.</p> <p>Review on provision of the residential social care estate including contingency planning for re-provision of Lothian Villa (Meadowmill).</p> <p>The security of secondary school grounds will be reviewed with Education and will be prioritised in terms of risk and available capital and revenue budget. Work is ongoing.</p> <p>The security of primary school grounds will be reviewed with Education and will be prioritised in terms of risk and available capital and revenue budget.</p>					

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ELC CR 3	Impact on Service Objectives Financial Legal	<p>Homelessness</p> <p>New policy approach rapid rehousing requires the Council to transform homelessness services, place people quickly into permanent accommodation, negating the use of temporary accommodation and requiring a significant reduction in temporary accommodation stock. Resource allocation, further exacerbated by a series of legislative change has been insufficient for service transformation and the approach has resulted in an inability to accommodate those in need, forcing use of non-contracted B&Bs / B&Bs out-with county.</p> <p>Scottish Government require the implementation of a Housing First approach as a key priority, although no funding is available for ongoing revenue costs.</p> <p>Legislative change regarding local connection came into force on 29th November 2022 and requires the Council to accept rehousing responsibility for additional homeless cases. This adds to increased pressures posed by discretion around intentionality and change in focus to deliberate manipulation of the system Changes to local connection have been enacted without preparation of Guidance which places the Council at risk in respect of threats of judicial review.</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 suitable temporary accommodation, and lengthy stays in 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 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, resulting in increased rents. This is further exacerbated by reliance on the PRS as a suitable housing option for Ukraine households, preventing their homelessness.</p> <p>The cost-of-Living Bill (Scotland) has reduced the ability of landlords to recover tenancies extended to March 2024 and this will result in a significant number of households (currently with evictions on hold) presenting and requiring</p>	<p>Housing Options preventative approach to provision of advice.</p> <p>Continued monitoring of RSL nomination process (new build and routine turnover).</p> <p>Allocation Policy reduced number of offers for each Homeless applicant to 1, to encourage quicker throughput in temporary accommodation.</p> <p>Cabinet approved recommended actions to address pressures relating to a lack of affordable housing supply and address homelessness pressures through delivery of an agreed action plan.</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>	5	4	20	<p>Further iterations of Rapid Rehousing Transition Plans (RRTP) with clear plans to transform homelessness services by 2024 and beyond, kept under regular review in context of resource allocation and changing legislation.</p> <p>Continue new build activity to increase housing stock, exploring potential to further increase supply within context of the growth agenda.</p> <p>Significant growth in mid-market rent properties coming forward.</p> <p>Housing Options Training Toolkit to be rolled out during 2023/24, 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>Continue to engage with the Scottish Government to review and monitor the impact that legislative changes and Resettlement Schemes are having on meeting RRTP ambitions to ensure any adverse impacts are addressed quickly. Engagement will likely focus on the concerns around local connection.</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 Consultative Draft LHS is under preparation, which will set out the challenges and actions for the next 5 years.</p>	5	4	20	<p>December 2023</p> <p>March 2024</p> <p>March 2024</p> <p>March 2024</p> <p>March 2024</p> <p>March 2024</p> <p>March 2024</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p>	<p>Risk updated by Head of Housing and Service Manager - Comm Housing & Homelessness September 2023 with no changes to risk scores.</p> <p>Decision to move risk H1 to Corporate Risk Register following update by Service Manager – Comm Housing & Homelessness October 2022 with residual score increased from 16 to 20.</p>

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		<p>temporary accommodation, towards March 2024. Linked to this, landlords are increasingly taking action to end tenancies due to mortgage interest rates rising on their own homes and / or homes they rent out.</p> <p>Potential increase in service demand due to poverty and relationship breakdown associated with cost-of-living crisis are also 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>A focus is required on migrant homelessness and destitution in 2023/24, an area of complexity subject to limited Scottish Government flexibility.</p> <p>Legislative change is likely to increase demand on homelessness services and corresponding duties to accommodate, meaning increased spend.</p> <p>There are ongoing concerns regarding limited flow through the housing system and inability to accommodate people in emergency accommodation, due to lack of supply. This can impact upon the ability to source emergency accommodation at times of crisis, which can be particularly stressful for staff on call and leave homeless households without adequate shelter.</p> <p>There is increasing homelessness and housing demand pressure arising from a number of Resettlement schemes, mainly the Ukrainian refugee schemes with host arrangements breaking down early and ongoing pressure from a range of sources to carry out homeless assessments with associated temporary accommodation and ultimately permanent accommodation duties. These demands are likely to increase with further UK and Scottish Government commitments, particularly in respect of the move in focus from a 'warm Scots welcome' to a 'warm Scots future'. There are also other humanitarian schemes including but not limited to the existing Afghan schemes and the forthcoming changes around the new asylum seeker dispersal scheme. The immediacy and fast paced change of the Ukraine crisis has required a refocus in priorities away from homelessness to Ukraine and this remains ongoing to some extent, requiring business continuity measures within the Housing Options Team. Diverted resources from across the wider housing service have resulted in service strain elsewhere including the Housing Options Team and Community Housing. The focus on Ukraine resulted in an inability to prepare an updated RRTP in June 2022.</p>	<p>Team in place in response to Ukrainian refugee situation from October 2022.</p>				<p>A follow up letter is being drafted for the Housing Minister for further discussion and engagement asking for assistance to help alleviate some of these Housing Pressures, with a focus on the issues presented by legislative change regarding local connection.</p> <p>Ongoing conversion of 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>Joint working with Adaero is ongoing, to create an emergency accommodation project for the exclusive use of on call staff.</p> <p>The City Region is looking to take more of a regional holistic approach to reviewing and understanding the Housing pressures across the region, particularly in relation to Homelessness and Ukraine to help find a more joined up solution.</p>				<p>April 2024</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p>	

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ELC CR 4	Financial Service Objectives Legal & Regulatory	<p>Cost of Living Pressures and Economic Volatility</p> <p>Construction Materials Supply Chain Construction costs are now causing serious risk of non-delivery of key projects e.g. Blindwells, Craighall and Whitecraig Primary Schools, extension to Aberlady Primary School, after all mitigations have been applied.</p> <p>The construction materials market is currently volatile due to a number of factors including Brexit, the war in Ukraine and the Pandemic impact upon the production and supply chain. Current market uplift percentage is in the region of 15% - 20%. Moving forward we predict a quarterly uplift of 5 % over the next year. Current challenges include:</p> <ul style="list-style-type: none"> • Significant / unexpected upturn in worldwide workload • Covid-19 recovery & logistical constraints • Supply from the European Union • Hedging and bulk ordering • Increase in cost of raw materials – due to Covid-19, post-Brexit trading rules and rising oil prices. • Shortage of drivers of Heavy Goods Vehicles • The war in Ukraine and reduction in manufacturing <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 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, 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>Regular discussions with current suppliers around market conditions, and alternative specifications / materials.</p> <p>Close engagement and monitoring of national frameworks and conditions through Scotland Excel.</p> <p>Prioritisation – deciding which works are essential, balancing time, cost and risk, possibly delaying works until the market settles.</p> <p>Planning – assessing project programmes and possible procurement options.</p> <p>Reporting – providing information to funding bodies, Council management and other services.</p> <p>Monitoring – Continuing to liaise with industry bodies, working groups, other local authorities, the Scottish Government, suppliers and contractors to keep the Council informed.</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>	5	4	20	<p>On-going review of capital projects and plans exploring options for enhanced value engineering and prioritisation of specification and design parameters.</p> <p>Reviewing the opportunity to phase planned works rather than deliver wholesale projects.</p> <p>Consideration to delaying capital and revenue projects where appropriate and possible.</p> <p>Enhanced partnership working with HUB and major suppliers to enable pre ordering and project budget caps to be set - whilst this carries risk of increased front-loaded costs used correctly it can cap risk and enable controlled project delivery.</p> <p>Consideration of enhanced contract payments to transfer risk to the private sector – by paying upfront to cap project risks of escalating costs from Covid and 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>	4	4	16	<p>The risk and all planned measures are reviewed / progressed on a weekly basis.</p> <p>All actions ongoing and dependant on decisions taken by UK Government</p>	<p>Risk reviewed by CMT, June 2023 with no change to risk scores.</p> <p>New risk created by Executive Director – Place, November 2022 by combining elements of previous risks on Rising Energy Costs, Brexit and Supply/Cost of Materials.</p>

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		<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>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>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>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> <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>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>					
		<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.</p> <p>Rising energy costs will indirectly impact the cost of other goods and services e.g. materials, consumables, transportation.</p> <p>Electricity, gas, and unregulated fuels (heating oil, LPG, and biomass etc.) rates have 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. While rates continue to rise Scottish Procurements purchasing strategy provided some protection throughout the volatility.</p> <p>It is anticipated that Suppliers will pick up the new management charges on the frameworks. However, this will, likely be, passed on to LAs.</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>									

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				L	I	L x I		L	I	L x I		
			<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 scheme paid up to £1,200 per eligible household to 3 March 2023.</p>									
		<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>Given significant demands on the Scottish Welfare Fund (SWF), the Council has now moved assessment criteria from 1 September 2023 to the 'highest and most compelling'.</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> <p>Scottish Welfare Fund</p> <p>The Council Leader has written to the Scottish Government highlighting concern at the SWF position.</p> <p>Officers have engaged with Scottish Government officials and Scottish Public Services Ombudsman to notify them of these changes.</p>				<p>The Council is continuing to promote the 'Boost Your income' campaign.</p> <p>East Lothian Poverty Plan – Action Plan Update is in progress for submission to Members Library Service in June 2023.</p> <p>A cost-of-living survey of council tenants has been conducted and the outputs will be considered by the financial inclusion team and poverty working group.</p>					

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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 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>The Council decision on 29 August 2023 to introduce a temporary recruitment freeze for many posts and to introduce a delay to the current recruitment process creates an additional pressure for service delivery and for staff health and wellbeing. This will also have an impact on customers and community life leading to possible reputational damage to the Council.</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 • Connected Communities (Port Seton Centre and Pennypit) <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>The 2023-2027 Workforce Plan was approved by Cabinet (Jan 2023). The 2023-2027 Workforce Plan actions are being implemented.</p> <p>There is a corporate action plan resulting from the Employee Engagement Survey 2023 which has been integrated into the Workforce Plan and actions will be monitored through the Workforce Plan Action Plan, of which CMT has oversight.</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 and in accord with budgetary controls criteria instigated by Council in August 2023.</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>	5	4	20	Employee Engagement Survey 2023 conducted, results analysed and action plans are in development by services. A ‘You said/we did’ update is planned and planning is underway for the 2024 survey.	5	3	15	March 2024	<p>Risk updated November 2023 by Service Managers – CP&I and Customer Services 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 services in BC mode.</p>

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		<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>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>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> <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 in place.</p>										

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			<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>HoE guidance issued on Fire Safety in July 2023, full suite of Head of Establishment Guidance updated and issued in November 2023.</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 Risk management Group, Chaired by Head of Communities.</p>				<p>Update Management Arrangements:</p> <ul style="list-style-type: none"> Legionella Management Fire Safety First Aid 				April 2024	
ELC CR 6	Reputational	<p>Information Security and Data Protection</p> <p>Heightened Risk Due to Wars in Ukraine & Gaza Due to the current conflict in Ukraine & Gaza 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 and shows no signs of abating.</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>Programme of regular patching of systems and hardware in place.</p> <p>Phase out hardware and software when it reaches its end of life or out of support dates.</p>	5	4	20		3	4	12		<p>Risk Refreshed by Team Manager, Information Governance November 2023 with no change to risk scores.</p> <p>Risk refreshed July 2023 by Service manager – IT and Team Manager, Information Governance with no</p>

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		<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 council's 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>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</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 are risk assessed and security checked prior to introduction to ensure they meet expected 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>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> <p>Data Protection</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. A new Team Leader-Information Governance took up her post on 31 July 2023, whose brief includes</p>							<p>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> <p>June 2024</p> <p>Ongoing</p>		

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		<p>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. This gap continues to rise year-on-year.</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>leading the Information Governance training and awareness programme.</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>Records Management Plan: 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. A Digital Preservation Policy has been drafted and prepared for review by relevant stakeholders. 5 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: 3 workshops have been completed with Feedback. Procurement and Economic Development 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>DSA/DPIA Process Reviews completed: DSA and DPIA processes have been reviewed and simplified, with reduced waiting times. Team Leader now taking on new DPIA requests allowing Team Manager to address backlog.</p> <p>Dunbar Road Options Paper: 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>Data Protection/Records Management training delivered as needed to Asset Review Champions.</p>				<p>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>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>March 2024</p>	

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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 previous 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.</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 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 will continue going forward at what level and in what form Potential increased homeless and housing demand (where hosting arrangements break down) Service resource demands on all affected teams but particularly Community Housing & Homelessness 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 of MS Victoria, with households placed in hotels across central Scotland is creating additional service pressures in respect of homelessness and availability of temporary accommodation. 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. 	<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>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> <p>Clarity on funding at national level, notwithstanding ongoing changes.</p>	5	4	20	<p>Internal processes and procedures to be reviewed to identify improvements required, going forward.</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 works 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 are developing a host families scheme to provide accommodation and support for UASC.</p> <p>Work with ALACHO, SOLACE, COSLA and others to ensure future funding arrangements are adequate, in accordance with the revised approach to a 'warm Scots future'.</p>	4	3	12	<p>March 2024</p> <p>December 2023</p> <p>March 2024</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>March 2024</p>	<p>Risk refreshed by Service Manager September 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"> 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, resulting in significant aborted work around matching. A change in Scottish Government policy focus from a 'warm Scots welcome' to delivery of a 'warm Scots future' within the context of wider homelessness and housing pressures. 	Successful recruitment of two Tenancy Support Officers.									
ELC CR 8	Reputation Financial	<p>Climate and Nature Emergency</p> <p>East Lothian Council has statutory duties to mitigate its emissions, further biodiversity conservation, 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 under Scotland's Climate Change Act (2009). Failure to meet our statutory duty under the Nature Conservation (Scotland) Act 2004. Lack of financial and staff resources to mitigate emissions and deliver the net zero interim target by 2030 and full target by 2045. Lack of financial and staff resources to proportionately respond to the nature emergency. 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 and biodiversity conservation are 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 adaptation efforts are as ambitious as our mitigation actions.</p> <p>The State of Nature Scotland Report (2019) found that 49% of Scottish species have decreased in abundance and 11% are under threat from extinction. Failure to halt biodiversity loss and restore nature will have a detrimental impact on our environment, economy, jobs, health and wellbeing and impact our capacity to adapt to and mitigate the climate crisis.</p> <p>The Council is making progress in reducing the Climate and Nature Emergency risks. However, there is an urgent need to secure the funding, resources, tools and powers to enable us</p>	<p>Annual reporting to the Scottish Government to track CO₂e reductions and delivery of adaptation programmes.</p> <p>Reporting to the Scottish Government every three years on the actions the Council has taken to meet our Biodiversity Duty.</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. This includes actions to support and enhance nature / biodiversity and enhance green networks.</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 and nature emergency 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). Adaptation Scotland and SSN, ensuring consistency and collaboration between public bodies in the response to the climate emergency. Scottish Biodiversity Officers' Network and the Scottish Government to implement the Scottish Biodiversity Strategy and ensure consistency and collaboration between local authorities on biodiversity matters. 	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 with Senior Council Managers, community workshop with East Lothian Climate Action Network planned.</p> <p>Monitoring and reporting to be set up to track progress following the Council's declaration of Nature Emergency in October 2023, including a report to Council and monitoring and discussion on an ongoing basis after this by the cross-party Climate Change and Sustainability Forum.</p> <p>Work with stakeholders through the East Lothian Biodiversity Partnership to develop the East Lothian Biodiversity Action Plan, to identify priorities for action to reverse biodiversity loss and identify interim targets for nature recovery.</p>	3	4	12	<p>Ongoing with annual review</p> <p>2025 - annual review</p> <p>Ongoing with annual review</p> <p>Ongoing</p> <p>October 2024</p> <p>December 2023</p> <p>September 2025 with annual review thereafter</p>	<p>Risk updated November 2023 by Sustainability and Climate Change Officer, Biodiversity Officer, and Team Manager – Strategy, Policy & Development with no change to risk scores.</p>

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		<p>to deliver net zero and become nature positive. Until then, our capability for 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"> NatureScot, who provide guidance on and funding for management of natural heritage resources. Transport Scotland, funding ELC's ULEV public sector fleet objective (2025). NB, funding options are limited to be 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>The Council works to protect and enhance species and habitats within its land holding through the work of the Countryside Rangers and Amenity Services, including the development of Nature Networks within its urban landholding, and works closely with partners, community groups and through the planning & development process to protect and enhance biodiversity and green networks across the county, to deliver actions set out in the Green Networks Strategy SPG, Open Space Strategy, Climate Change Strategy, Countryside Site Management Plans and Nature Networks in Parks & Greenspaces Action Plan.</p> <p>The East Lothian Biodiversity Partnership has been re-convened to develop and update East Lothian's Local Biodiversity Action Plan.</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 have been held with the Area Partnerships in NBC, Musselburgh and PSG to integrate climate action in the Area Plans. Meetings with Association of East Lothian Community Councils to discuss the climate impacts in the area and actions needed.</p> <p>Meet with Association of East Lothian Community Councils to discuss the climate impacts in the area and actions needed.</p>				<p>Convene the East Lothian Biodiversity Partnership to identify priorities for action to reverse biodiversity loss and identify interim targets for nature recovery.</p> <p>Identify funding streams and partners to continue delivering projects to conserve and enhance biodiversity on a local and landscape scale.</p> <p>Work with Community Councils and Community Groups to raise awareness of the nature emergency and identify local actions.</p>				<p>September 2024</p> <p>Ongoing with annual review</p> <p>Ongoing with annual review</p>	

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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>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>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> <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>	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> <p>Counsels' opinion has been sought in relation to historic liabilities for the former LRC and a meeting is due to take place soon to discuss.</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 November 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>
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</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>	3	3	9	2023-2028	<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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			<p>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> <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>				<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 exercise during 2023-24 which will incorporate Flooding.</p>				<p>2023-2028</p> <p>2024</p> <p>2023-2024</p> <p>2023-2024</p>	

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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. On the 12th July 2023, SG and COSLA confirmed that they had reached an initial consensus agreement that accountability for the NCS would be a partnership between SG / LG and NHS. This included that the workforce and assets currently within local authorities, would remain there in the new NCS. In November 2023, COSLA reported some emerging uncertainties including that SG intended to retain as much of the NCS Bill as possible and were taking a 'maximalist approach' to NCS integration and delegation including for Children's Services and Justice Social Work.</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).</p> <p>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.</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	In line with Scottish Government decisions	<p>Risk reviewed November 2023 by Executive Director, Education & Children's Services with no change to risk scores.</p> <p>Risk reviewed September 2023 by Director of ELHSCP and Chief Social Worker with no change to risk scores.</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>
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.</p> <p>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,</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 	3	4	12	<p>Awaiting feedback from Scottish Government.</p> <p>L&D 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</p>	2	4	8	All controls are ongoing.	<p>Risk reviewed September 2023 by Director of ELHSCP and Chief Social Worker.</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>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 MAPPA that would have had serious repercussions for the safe operation of MAPPA 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 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>and are informed by Training Needs Analyses undertaken by the East Lothian Workforce Development Officers in Children's Services and the HSCP.</p> <ul style="list-style-type: none"> VAWG delivery group keeps oversight of services for gender based violence East and Midlothian MAPPA Group (EMMG) oversees MAPPA arrangements. <p>Level 1 training for Child Protection and Public Protection training are available via Learn-Pro.</p> <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 MAPPA and actively involved in national and local discussions around MAPPA information sharing, supported by ELC legal and justice services. The East and Midlothian MAPPA Group provides oversight and assurance of local MAPPA performance and practice.</p> <p>The CSWO remains actively engaged in national meetings aimed at achieving a long-term solution to the MAPPA information sharing / ViSOR issue ahead of the implementation of the replacement system MAPPS. The CSWO will continue to provide regular assurance of the safety of MAPPA 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 is a highly intrusive process. Colleagues in legal, Information Governance and HR have advised that JSW staff cannot be instructed to undertake this vetting and confirmed that JSW need access to the information that ViSOR holds only, not the system itself, to fulfil their duties under the Management of Offenders (Scotland) Act 2005 on which MAPPA is based.</p> <p>Acting Up' arrangements in place whilst 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 continue to meet to review and maintain oversight of training and embedding S&T in practice in East Lothian. This is monitored via EMPPC Learning and Development Sub-group.</p> <p>A Joint Strategic Needs Assessment for Public Protection has been progressed and is monitored by CSOG. This project increased demand for</p>				Justice Group and Equally Safe Group – will see a renewed focus on community safety and justice priorities during 2023/24.					

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			<p>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> <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.</p> <p>The Lead Officer for Adult Protection leads the Council Officer forum supporting learning, practice and process consistency in Adult Protection.</p> <p>All Regulated Services e.g. Care homes, residential units for young people and Schools are inspected by Care Inspectorate and Education Scotland. Improvement plans are implemented following Regulated Services inspections. Weekly Care at Home Oversight Group established to oversee and manage risks in relation to staffing.</p> <p>Both the Lead Officer for Child Protection and Adult Protection participate in Inter-agency Referral Discussion Overview Group, which reviews and provides quality assurance of the decisions taken to manage vulnerable children and adults' risks.</p>									

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				L	I	L x I		L	I	L x I		
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>Serious and Organised Crime (SOC) poses a physical and virtual threat, be that human trafficking, drug supply, sexual exploitation, fly-tipping, fraud, unsafe consumer sales et al. These risks can include cyber-attacks, corruption, bribery, IT system infiltration, human 'plants' into organisations. SOC poses risks to our communities through targeting of vulnerable people and their properties e.g. to act as conduits for drug supply, door-step fraud, on-line crime et al.</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 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 e.g. 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.</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> <p>Council owned buildings and open spaces subject to strict management and maintenance regimes, with all requisite risk assessments and safe operating arrangements in place.</p> <p>Effective Partnership working with Police Scotland, immigration and HMRC.</p> <p>Anti-social Behaviour Oversight Group operates and oversees Serious Organised Crime Multi-Agency Action Plan.</p> <p>Effective oversight of all aspects of Public Protection through the East and Midlothian Public Protection Committee.</p> <p>Trading Standards oversight of safe consumer practices and promotion of call blocking devices. Trusted Trader Scheme in operation.</p> <p>CONTEST and Prevent counter-terrorism arrangements in operation overseen by East and Midlothian Public Protection Committee.</p>	3	4	12	<p>Review of oversight and governance arrangements for assessment.</p> <p>Alteration of the workforce model for delivery of care at home services including expansion of internal delivery.</p> <p>Comprehensive pathway modelling underway lead by Head of Operations HSCP.</p> <p>Refresh of Serious and Organised Crime Multi-Agency Plan, aligned to review of Anti-social Behaviour Strategy.</p>	2	4	8	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>April 2024</p>	<p>Risk reviewed September 2023 by Director of ELHSCP, Head of Communities and the Head of Children's Services/Chief Social Worker with SOC Risk and mitigations moved from Communities Service Risk Register by CMT Risk Sub-Group</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		
ELC CR 14	Physical and/or Psychological Impact on People Service Objectives	<p>National Power Outage</p> <p>The National Electricity Transmission System (NETS) transports electricity across Great Britain. Total failure of this system would cause a nationwide loss of electricity supplies instantaneously and without warning. This would cause cascading failures across multiple sectors including telecoms, water, gas, sewage, food, health and fuel, and cause significant disruption to public service provision and most businesses and households. These disruptions could lead to physical and psychological casualties or fatalities due to the loss of the services relied upon by many, especially those with health and wellbeing vulnerabilities.</p> <p>ELC must be prepared, as best we can, to respond and recover should widespread electricity failure ever occur. Communications will be seriously interrupted, the care of vulnerable people will become hugely challenging and the continued provision of our critical activities, highlighted within our Business Continuity plans, will be seriously tested.</p>	<p>Backup generator at Penston House with Fuel to power essential emergency facilities for up to 8 days.</p> <p>Fuel Plan in place for the provision of fuel to backup generators and essential vehicles.</p> <p>Critical services have up to date business continuity plans, exercised annually.</p> <p>IT Back-up generator at JMH for vital server equipment. IT has completed a significant amount of upgrade work to the IT infrastructure to remove single points of failure.</p> <p>3 x Airwave Radios Terminals are available for our use. These terminals are currently stored at Haddington Police Station and allow for communications with other category 1 emergency responders during incidents. Airwave Terminals are tested by the emergency planning team every 3 months.</p>	2	5	10	<p>Awaiting Scottish Government national framework for National Power Outage response.</p> <p>Complete ELC NPO framework Plan to assist the Council, should an NPO occur, to have processes in place to deal with the ongoing challenges and recover from the impacts of the power outage.</p> <p>Lothian and Borders Local resilience Partnership (LRP) have issued a final draft of their own NPO framework which outlines the multi-agency considerations for L&B LRP in the event of an NPO. Training exercise and incorporating in to ELC response documentation to be completed.</p> <p>Planned Starlink and RAYNET install at Penston house TSCC/ECC.</p> <p>All services to carry out an annual BC test based on NPO.</p> <p>Space X Starlink Satellite System to be installed at Penston house to provide Internet connectivity during NPO.</p> <p>Deployable Space X Starlink Satellite system to be developed to allow for internet connectivity at ELC facilities remote to Penston house such as Offices, Depots, Rest Centres and Media Briefing centres.</p> <p>Purchasing of resilient radio communications equipment including 4G/Wi-fi enabled radios to work with Starlink and RAYNET equipment.</p> <p>Purchase power banks to allow for charging of mobile phone and laptops and powering 230V devices.</p>	2	3	6	<p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>December 2023</p> <p>August 2024</p> <p>December 2023</p> <p>December 2023</p> <p>April 2024</p> <p>April 2024</p>	New risk created by Emergency Planning & Resilience Team, November 2023.
ELC CR 15	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>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</p>	3	3	9		3	3	9		Risk reviewed and updated July 2023, with no change to assessment of current scores.

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		<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>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 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>									

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				L	I	L x I		L	I	L x I		
ELC CR 16	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.</p> <p>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 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</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 September 2023 by Director of ELHSCP and no changes required.</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>	

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				L	I	L x I		L	I	L x I		
			Council Website as well as regular updates on Social Media platforms. HSCP are following NHS and ELC guidance on staffing and using JPF to monitor the situation.									
ELC CR 17	Physical and/or Psychological Impact on People Legal & Regulatory	Threat of Terrorism Delivering the UK Government's Counter Terrorism (CT) strategy, known as CONTEST (comprised of four components - Prevent, Protect, Prepare and Pursue). 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. 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.	Multi agency 'J' Division CONTEST Meeting attended by East Lothian Council representatives. 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. 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. A SPoC for Prepare and Protect although not a statutory requirement, has also been appointed (Emergency Planning, Risk and Resilience Manager). 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. ELC follows and contributes towards the 'J' Division Contest group implementation plan. The SPOC Prevent Group in the East of Scotland is attended by the ELC SPoC. 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. 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. 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. Joint training (with Midlothian) for PMAP members was undertaken.	3	3	9	Awareness-raising sessions are being arranged with Police colleagues with independent service providers operating in East Lothian. CT police are offering bespoke Prevent training across other council services and supporting managers to update paper-based training materials for manual staff. Further service specific Prevent training is being arranged for children's and justice social work services. Roll out and 2022/23 uptake of mandatory Prevent e-learning will be reported to the Prevent working Group. Review and implement learning from Exercise Safe Steeple.	2	3	6	March 2024 March 2024 March 2024 May 2024 March 2024	Risk refreshed by Head of Communities, Contest Working Group Chair, November 2023 – no change to risk scores.

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				L	I	L x I		L	I	L x I		
			<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 2021).</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 18	<p>Service Objectives</p> <p>Legal & Regulatory</p> <p>Physical and/or Psychological Impact on People</p>	<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> <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>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 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</p>	2	4	8	<p>Progress Business Continuity Plans with Education and H&SCP in order that each School and Care Home has a plan.</p>	2	3	6	March 2024	Risk refreshed November 2023 noting changes to risk description and mitigation measures whilst no change to risk scores.

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				L	I	L x I		L	I	L x I		
			<p>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 19	Legal & Regulatory	<p>Failure to maintain, review & exercise Emergency Planning, Incident Response and Management</p> <p>Failure to maintain, review and exercise Emergency Contingency Plans and to comply with current guidance and legislation or to contravene current legislation, which may result in severe penalties as well as an ineffective response to an emergency.</p> <p>Any ineffective preparation and planning for potential crises and disruptive events such as those reflected within the Community/UK Risk Register, that directly relate to the council as a 'Category 1 Responder' may result in the council's inability to effectively respond and manage the event in a way that minimises harm to the community, our employees and the reputation of the council. For example, connectivity between partner agencies during a response to spontaneous events/incidents is challenging due to several agencies using different software and platforms.</p>	<p>Contingency plans in place, to address risks as identified in the UK National Risk Register and that are most likely to impact on East Lothian, including generic, site, event and response specific. Incident response processes and resources are identified in contingency plans.</p> <p>Training and exercises to ensure emergency arrangements remain 'fit for purpose' and to test the robustness of contingency plans.</p> <p>Ensure 'key' ELC staff continue to stay abreast of incident/ emergency response arrangements and processes and are aware of their role and how they integrate with multi-agency partnership working.</p> <p>The Council works with Community Councils (CC) and other community groups e.g. Tenants and Residents Associations to promote and progress 'Resilient Communities' as per the Scottish Government initiative 'Ready Scotland'. The council communicates directly with community groups as risk warnings are received. Resilient Community Single Points of Contact (SPoC) are in place for the majority of CCs and are fully aware of their responsibilities.</p>	2	4	8	<p>Ongoing communication with ELC 'Resilient Communities'. Several more Community Councils are considering creating Resilient Communities plans following their response to COVID-19.</p> <p>Future Emergency/Resilience training will be progressed with ELC staff, strategic, tactical and operational to take account of the gaps that have occurred due to COVID 19 and changes to Council Management team and to senior staff/roles.</p> <p>A full Level 2 nuclear exercise will take place in 2024.</p> <p>An ELC response plan for incidents of significant electricity failure, also known as power loss or blackout, will be created alongside Scottish and UK Government guidance. Such an incident will have major impacts for all councils and there are no easy answers with a major such incident expected to last up to 7 days. However, this plan will ensure ELC is prepared, as much as it can be, to</p>	1	4	4	<p>March 2024</p> <p>August 2025</p> <p>June 2024</p> <p>March 2024</p>	Risk reviewed by EP, R & R Manager, November 2023 with no change to risk assessment scores.

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				L	I	L x I		L	I	L x I		
			<p>Corporate emergency planning arrangements are in place, including media/public information and social care arrangements.</p> <p>Working with other Category 1 and 2 Responders e.g. Police Scotland, Scottish Fire & Rescue Service (SFRS), Scottish Ambulance Service (SAS), Utility companies etc. as defined by the Civil Contingencies Act 2004 to ensure an effective and integrated response.</p> <p>Debriefing processes are followed, when appropriate, to enable lessons learned to be fed back into contingency planning.</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. BC plans are key to ensure ELC services continue to provide their critical activities.</p>				respond and recover from such an incident.					
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 and is now being implemented. 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 Poverty Plan has been reviewed and produced for the period 2023 – 2027. Delivery will be monitored by the Poverty Working Group and the new East Lothian Partnership Governance Group.</p> <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>	2	3	6			6		Risk reviewed and updated November 2023 by Service Manager – Improvement, Policy & Communications with no change to assessment of current scores.	

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				L	I	L x I		L	I	L x I		
			<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 use the 'checklist and IIA form' package. East and Midlothian Councils use 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 alongside the requirement to publish an annual Equal Pay Report.</p> <p>ELC Equalities Mainstreaming Annual Report 2022-23 published.</p> <p>Elearning 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: 12 December 2023
BY: Chief Social Work Officer
SUBJECT: Chief Social Work Officer Annual Report 2022-23

5

1 PURPOSE

- 1.1 This report presents to members the Chief Social Work Officer Annual Report for 2022-23. The report is attached at Appendix 1.

2 RECOMMENDATIONS

- 2.1 The Council is asked to note the content of the 2022-23 Annual Report of the Chief Social Work Officer and its implications for the provision of social work services in East Lothian and their role in assuring the safety and welfare of vulnerable children and adults across the county.

3 BACKGROUND

- 3.1 The requirement that every local authority should have a professionally qualified CSWO is contained within Section 45 of the Local Government (Scotland) Act, 1994. This report is prepared in line with the national guidance – The Role of the Chief Social Work Officer – published by the Scottish Government in 2016. Further, this report fulfils a statutory requirement for the CSWO to produce an annual report on the activities and performance of social work services within East Lothian including those delivered within the Health and Social Care Partnership.
- 3.2 The format for the report follows the template as set out by the government's Chief Social Work Advisor:
- Governance and accountability arrangements
 - Service quality and performance
 - Resources
 - Workforce
- 3.3 The report reflects the strategic and operational delivery of services across children's (social work) services, justice social work, mental health social and adult social work services. It provides an overview of the professional activity for social work in East Lothian through the delivery of the statutory functions and responsibilities held by the Chief Social Work Officer.

- 3.4 The timeframe of this report broadly aligns to two years post the start of the COVID-19 pandemic. It highlights the continued and continuing impact of the pandemic on East Lothian citizens with whom our services work to help them live safely and as independently as possible. The report illustrates some of the significant challenges ahead for services with the changing landscape of social care services and the increase in vulnerability for children and young people and families that will inevitably be compounded by the ongoing cost of living crisis.
- 3.5 I am proud to have the opportunity to share some of the many achievements from 2022-23, that are firmly aimed at improving the experiences and outcomes of those who are being supported or cared for by social work services. This is testament to the commitment and resilience of the social work workforce and the support of managers and leaders.

4 POLICY IMPLICATIONS

There are no direct policy implications of this report. However, the report highlights the areas of practice, service delivery and policy that will require further review as the full impact of the pandemic on services becomes clearer.

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 – there are no direct financial implications arising from the report; however, it does refer to the financial challenges facing the delivery of social work and social care services.
- 6.2 Personnel - None
- 6.3 Other – None

7 BACKGROUND PAPERS

- 7.1 Chief Social Work Officer Report 2022-23 attached at Appendix 1

AUTHOR'S NAME	Lindsey Byrne
DESIGNATION	Head of Children's Services and Chief Social Work Officer
CONTACT INFO	lbyrne@eastlothian.gov.uk
DATE	29.11.23

SOCIAL WORK **CHIEF OFFICER REPORT**

2022-23

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Introduction

I am very pleased to introduce the Chief Social Work Officer (CSWO) report for 2022-23. The report shares data about the performance of social work services in East Lothian, as well as exploring the reality of delivering social work in a post pandemic landscape. It shows that people and communities continue to be affected by the pandemic and this, twinned with the cost-of-living crisis creates a challenging backdrop for supporting people to live as safely and securely as possible. The report illustrates some of the significant challenges ahead for services, including the changing landscape of social care services and the increase in complexity being experienced by children, young people, adults, and families. This will inevitably be compounded by the resource and staffing crisis across the social work and social care sectors.

It is not possible to convey every aspect of social work services within one report. This report focuses on key areas of development and improvement, with a view to showing how we continue to prioritise supporting people within their own homes and communities.

In this report, I will share some of the many developments and achievements designed to improve the experiences and outcomes of those who are being supported or cared for by social work services. This is testament to the commitment and resilience of the whole East Lothian social care and social work workforce, who continue to do their best to deliver high-quality services, at times under very difficult circumstances.

Governance and Accountability

Social work and social care services play a vital role in championing and addressing the impact of poverty and inequality in the lives of vulnerable people. These services are well placed to inform the prevention and early intervention agenda that is embedded in the key strategic plans for East Lothian. Most social work functions take place within the context of joint operational working, with colleagues within the Health and Social Care Partnership (HSCP), council services and across key partner agencies, including the third sector. The CSWO is a member of the council management team, a non-voting member of the Integration Joint Board (IJB) and is a member of the following key strategic partnerships that lead and direct the work to protect and improve the lives of vulnerable

people:

- East and Midlothian Public Protection Committee
- East Lothian Partnership Governance Group
- East Lothian Children's Strategic Partnership
- East Lothian Community Justice Partnership
- Midlothian and East Lothian Drug and Alcohol Partnership

Role of the CSWO in social work practice

The role of the CSWO is to provide professional advice and guidance to Local Authorities, Integrated Joint Boards, Elected Members and officers in the delivery and associated risks of social work services. There is a statutory requirement for all local authorities to appoint a professionally qualified CSWO who is registered with the Scottish Social Service Council (SSSC). This regulation is set out in Section 45 of the Local Government (Scotland) Act 1994.

As Head of Children's Services and CSWO, it is necessary to balance the challenge of maintaining objectivity in line management and strategic decision-making, alongside accountability for professional practice standards and ensuring the safety of those who use our services. The human and financial impact of the pandemic on council and IJB services continues to test this balance. It is essential for the CSWO to maintain a good understanding of practice, in order to remain connected to the core business and standards of assessing and responding to risk and need for vulnerable people. This is achieved through:

- The role of agency decision maker, endorsing decisions of the fostering and adoption panels;
- Authorising decisions about secure care placements and monitoring assessments and plans for young people whose liberty has been removed;
- Chairing senior officer resource panels and reviewing plans of children placed in external resources;
- Implementation of the performance and care governance framework in children's services;
- Membership of the East Lothian care home and care at home oversight groups;

- Core member of multi-agency meetings (Large Scale Investigations and strategy meetings) to consider risks to service users in regulated care services;
- Strengthening the arrangements for oversight of local authority welfare guardianship applications;
- Single Point of Contact for Prevent¹;
- Monitoring of MAPPA business and co-chair of MAPPA 3 meetings;
- Member of learning review sub-group for public protection;
- Principal counter-signatory for Scottish Social Services Council (SSSC) endorsements.

The IJB chief officer supports the role of the CSWO in providing professional accountability for social work practice in the services delegated to the IJB. Senior social work managers in adult services consult with the CSWO about practice issues. Regular meetings for social work managers across children's, justice, and adult services with the CSWO provide important opportunities to discuss cross-cutting themes, feedback from national meetings such as the Social Work Scotland CSWO network and standing committees and an opportunity to reflect on practice challenges and dilemmas.

¹ Duties for specified Scottish authorities in the Counter-Terrorism and Security Act 2015 to have due regard to the need to prevent people from being drawn into terrorism.

Children's Services

During 2022-23, Children's Services continued in its commitment to keep the Promise². I am pleased to be able to share the detail of how our services have changed throughout 2022-23 and to show how we continue to work collectively to provide the right support at the earliest possible opportunity. Our desire to support children to thrive within resilient and loving families at the center of everything we do has remained in focus during service and structure changes. Engaging with children and young people and hearing their voices guides our practice work and our approach to service delivery. We continue to seek ways to strengthen this important work.

Following initial implementation in early 2022, the continued implementation of the redesign of children's services has remained a strategic focus. The redesign workstream was part of the Council's Transforming Services for Children programme.

The redesign came from evidence gathered through self-evaluation, that we needed to redesign our services to ensure the best possible outcomes for children, young people, and their families. We identified key pressure points in the child's journey through services and acknowledged that we could not change one part of the structure, without impacting upon other areas of the service.

To truly commit to the values of the Promise, we knew our services needed to be redesigned to ensure:

- We are truly prioritising early intervention and preventing children, young people their families from requiring statutory or child protection measures.
- We are equipped and able to provide flexible, responsive, timely and relational family support for as long as required.
- When children are unable to stay within their family, our social work service is built around the needs of the child to promote relationships and consistency throughout their care journey.

² The Promise Scotland was established to take forward the work of the Independent Care Review. In 2021, it published its plan for 2021-2024, outlining key outcomes that aim to ensure that Scotland's children and young people grow up loved, safe and respected, so they can realise their full potential.

- We are able to intensively support our most distressed and at-risk young people in their own communities with patience, persistence, and hope.

The redesign process involved an extensive mapping of systems and processes and a variety of consultations events with staff, people with lived experience and stakeholders. From this, we identified our key purpose, outcomes, and operating principles for the service as a whole, and for individual service areas. This led to mapping our existing staff resources and the building of possible new structures to meet the desired purpose.

The redesign shows our commitment to being self-aware about the level of change required to make a difference in the lives of the people we work with. It shows that we sought to improve people's experiences in every area of our service, and we continue to work tirelessly to meet the following objectives:

- To deliver high quality social work services for children, young people, and their families.
- To deliver our statutory responsibilities to protect children and young people from harm.
- To provide statutory social work services at the right time for children, young people, and families at risk to overcome difficulties and achieve safe and loving relationships.

While our goal is to ensure we provide a service that produces better outcomes for children and families, it has not been without its challenges. In 2022, East Lothian had an estimated population of 108,972, the 21st highest of the 32 local authority areas in Scotland. In 2018, the population was projected to increase by 9.7% to 116,006 in 2032. This is the second highest increase in Scotland.

The Council's ongoing significant financial challenges and a growing population within East Lothian have created a challenging landscape when delivering services at all levels, but particularly around prevention and early intervention.

A national shortage of social work staff has impacted our recruitment drive and has resulted in a number of teams running at reduced capacity. Recruitment challenges impacted our ability to fully implement the service redesign and we had to accept that some of the new priorities and processes would be slower to show impact due to insufficient staffing numbers in key

areas.

Signs of Safety refresh

Developing the workforce to ensure professional social work practice is of the highest standard and is focused on helping to deliver the Promise was recognised as an essential part of the redesign and implementation phase.

Signs of Safety³ has been our practice approach within child protection for many years. To compliment the redesign, we have invested in whole service training to update our Signs of Safety practice and embed it further into all areas. We paid particular attention to how it is incorporated into all social work practice and our use of paperwork. Within the model, our workforce strives to build effective relationships and use a strength-based, family first approach to keep children living safely within their own families wherever possible.

We also integrated learning from 'Each and Every Child' into our practice and are working to ensure what we say and how we write is trauma informed and does not reinforce a negative perception of care experience. We are working to consider what all children and young people need in their lives to thrive in our work.

This children's service section of this report will focus on the work being carried out in each team. Relevant data will be presented to demonstrate how we are planning and delivering our service to bring about better outcomes to children and families. Attention will also be given to our approach to quality assurance, voice, and supporting our workforce.

Intake and assessment and child protection – early support to families

The newly designed intake and assessment teams provide effective interventions to support families to reach a place of safety and stability with a view to avoiding longer term or statutory social work involvement where possible. Practitioners work alongside families to understand their long-term support needs and help identify suitable supports, interventions and community

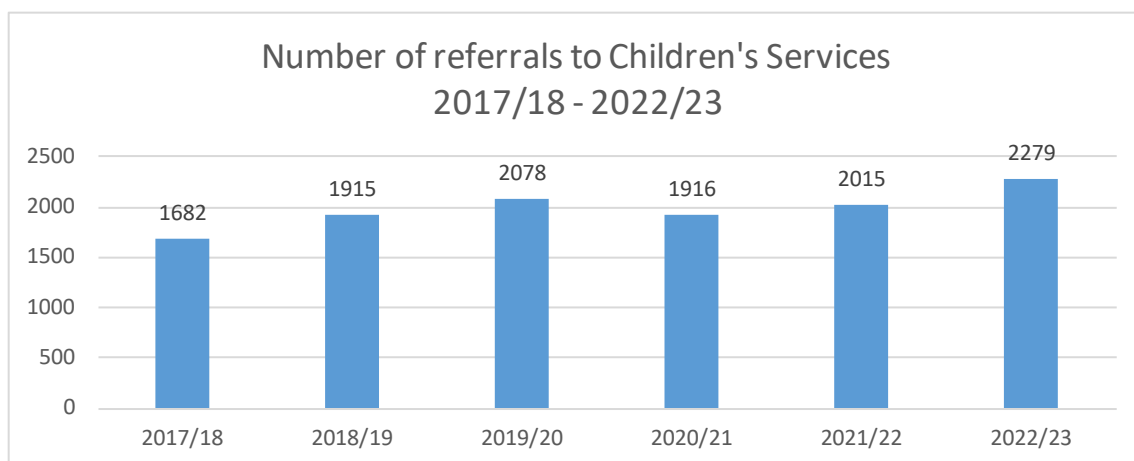
³ The Signs of Safety approach is a relationship-grounded, safety-organised approach to child protection practice, created by researching what works for professionals and families in building meaningful safety for vulnerable and at-risk children.

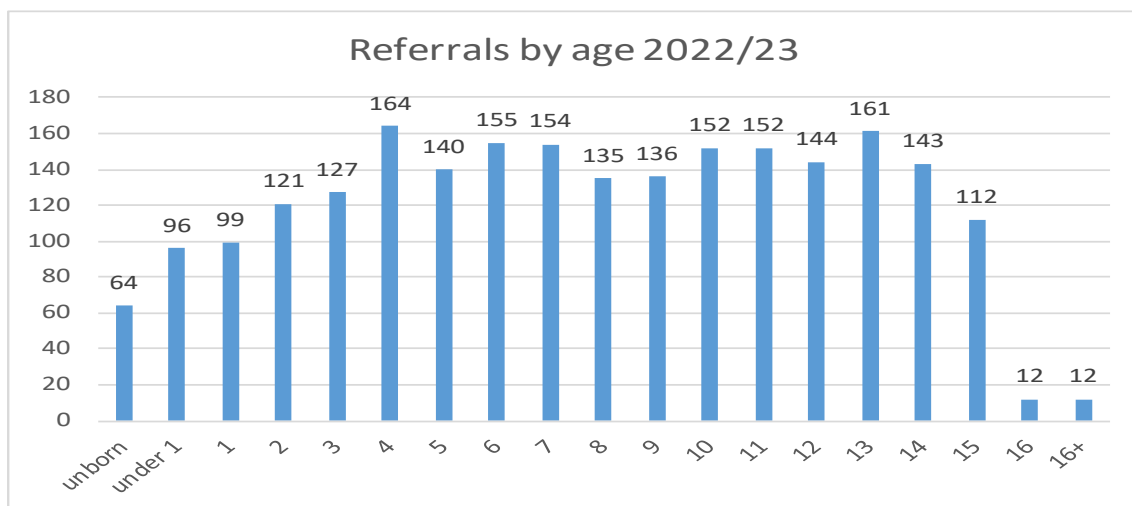
options where appropriate.

Our child protection team, based within intake and assessment works to strengthen existing practice and provide a high quality and strengths-based child protection response for newly referred children and young people at risk of significant harm. It provides a team base for the dedicated Video Recorded Interview (VRI) and Scottish Child Interview Model (SCIM) coordinator. This approach to joint investigative interviewing with the police is trauma informed, child focused and aims to achieve the best evidence through improved planning and interview techniques. Our approach will be fully embedded by 2024. Whilst the aspirations of the approach are fully supported, we believe that the resource impact of the extensive training and evaluation programme on busy teams in small local authority areas has yet to be fully recognised or provided for by the Scottish Government.

Referral activity data

Referrals to children’s social work have continued to rise. The figures for 2022-23 show a record high of 2279 referrals, a 35% increase over five years. We have also experienced an increase in the complexity of people’s circumstances which have been compounded by the ongoing impact of the COVID-19 pandemic and the cost-of-living crisis.





The increase in referrals reinforces the importance of a relentless focus on Getting It Right for Every Child (GIRFEC) – providing effective early help and support for families within universal services to prevent difficulties escalating to the stage where targeted interventions are needed.

Children’s Services is part of a shared directorate with Education and there is significant joint working, along with other council services, to prioritise initiatives that will lead to a reduction in referrals. A number of exciting projects and services have been introduced including:

- Child Planning Framework – Locality Teams, which are part of a continuum of support to facilitate multi-agency, solutions orientated discussions around the wellbeing of identified children and young people.
- Mental Health – Single Point of Access, which is the gateway for a wide range of targeted services including school counselling.
- Families Together East Lothian which is funded by the Scottish Government Whole Family Wellbeing Fund.
- Early Intervention Support Team which is a dedicated group of Family Support Workers supporting children and young people who have disengaged from education.

Child protection activity data

The number of children on the child protection register remains consistent with a slight decrease from last year. The most common concerns at point of registration are parental ill-

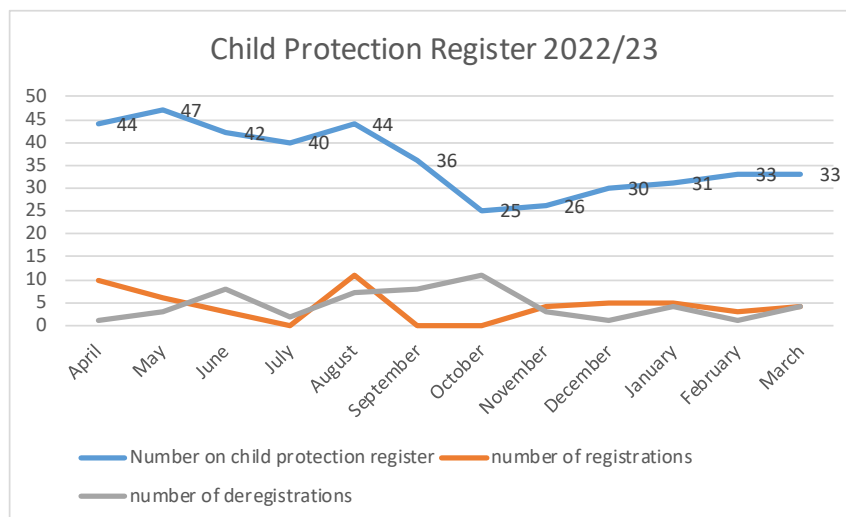
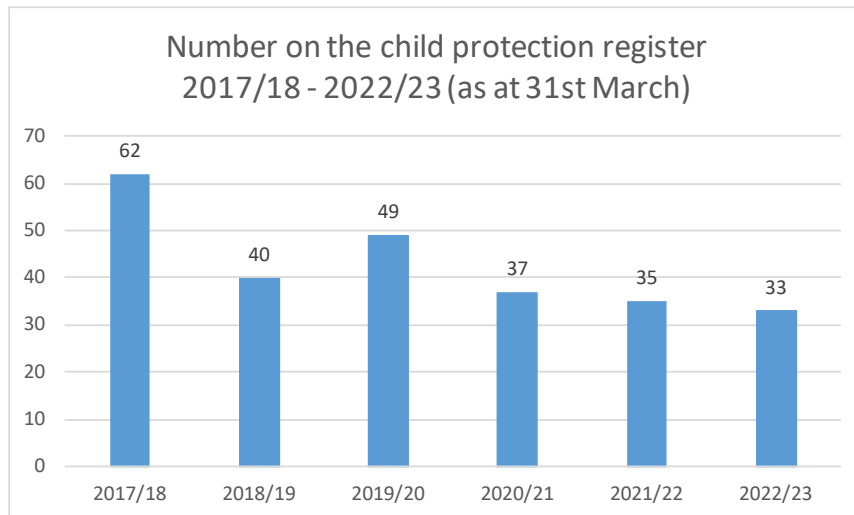
mental health, domestic abuse, and parental alcohol misuse. This corresponds with the national picture where the most common concerns raised at registration over the year were parental drug misuse and domestic abuse, followed by emotional abuse and issues associated parental mental illness.

Despite the disruption in light of COVID-19, parental or carer attendance at Initial Child Protection Planning Meeting (ICPPM) and Initial Core Group meetings has remained at 100%. We use a blended approach of virtual and face-to-face meetings. Due to the sensitivity of the meetings, we encourage more people to attend in person if they are able to.

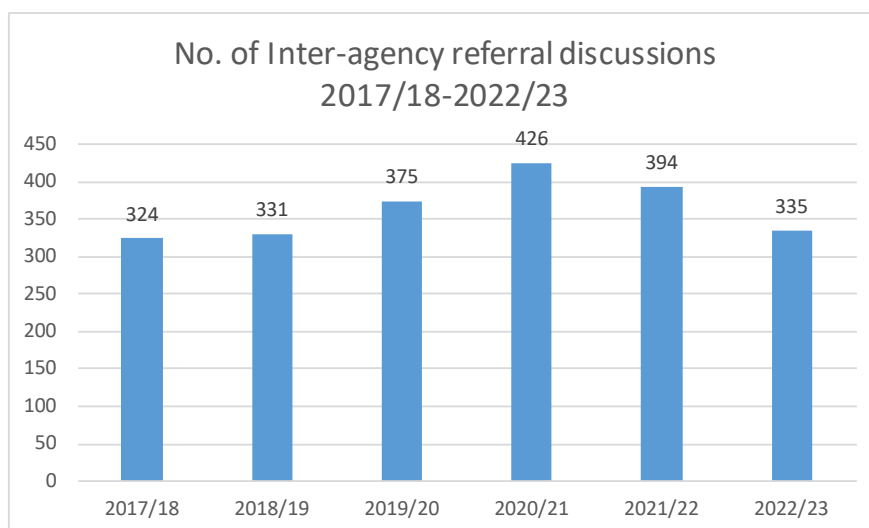
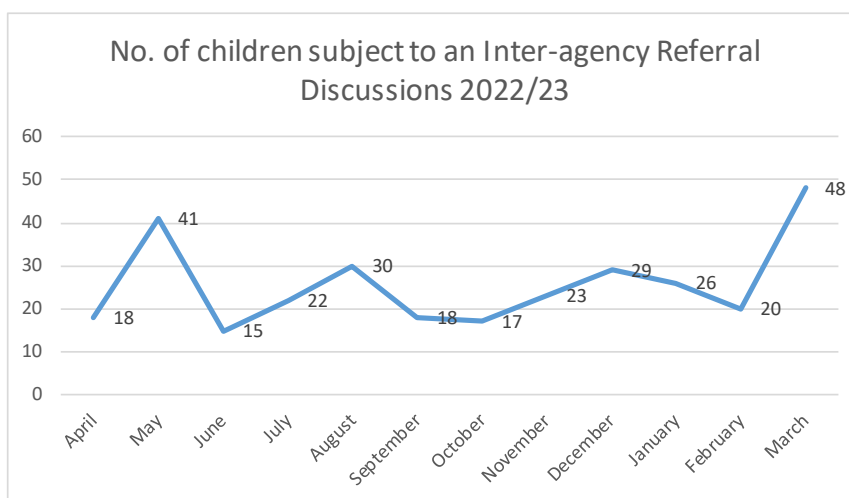
How people are treated throughout child protection processes is extremely important to us and we have strengthened our Signs of Safety practice to ensure that our approach is strength and safety focused at all times. As part of our Signs of Safety refresh, we undertook a baseline audit which helped develop our understanding of the impact our organisation is having in terms of improving outcomes for children and their families. This included parent or caregiver and children surveys, leadership and staff culture surveys, collaborative case file audits and creating a core data set. This showed evidence of some strong working relationships with the majority of people reporting that their social workers listen, know them, and help them. It also highlighted key areas to focus on including being clearer about assessments and plans and needing to spend more time with families to be able to identify family-based solutions.

The ways in which we continue to hear the voices of people who experience social work services is a key priority and something we are always keen to improve.

The Performance and Quality Improvement sub-group of the Public Protection Committee closely monitors child protection data and audits to provide assurance to chief officers about multi-agency practice. Improvement priorities include adopting City of Edinburgh's Neglect Toolkit to promote a consistent approach across Edinburgh and the Lothians. East Lothian will be taking part in a Harmful Sexual Behavior Framework Audit which will be facilitated by the National Society for the Prevention of Cruelty to Children (NSPCC).



Inter-agency Referral Discussions



Inter-agency Referral Discussions (IRDs) involve senior officers from police, health and social work who jointly consider information that could indicate a child has been harmed or is at risk of significant harm. When information about a child potentially at risk of harm is received by one of the core agencies, an IRD is initiated within a shared electronic system (E-IRD). Each agency checks their own recording systems and shares any relevant information to help reach an agreement about the risk and what action is required.

IRDs are unpredictable and require staff to be able to respond quickly, often having to reprioritise work to ensure swift action can be taken. In East Lothian, our core agencies will always initiate an IRD in the following circumstances:

- Unexpected child deaths;
- Children presenting with unexplained injuries, no explanation for injuries or injuries that are inconsistent with explanation given; or injuries to a non-mobile child in conjunction with other child protection concerns;
- Evidence to support physical assault;
- Under 13 years old engaging in sexual activity (as per national and local procedures);
- Chronic neglect;
- Evidenced pattern of emotional abuse;
- Parental problematic drug or alcohol misuse that is presenting a significant or immediate risk to the child;
- Drug / alcohol related parental deaths;
- Domestic abuse – chronic pattern of incidents, child directly involved, or when a parent sustains a significant injury;
- Parental death by suicide if the child is present or witnesses incident;
- Child / young person placing themselves at risk due to their behaviour – behaviour meets criteria of significant or persistent risk to child / young person or another person (i.e. significant mental health issues, significant pattern of drug / alcohol misuse, significant violence);
- Significant contact with a registered sex offender such as living in the same household or parental relationship with a Registered Sex Offender (RSO);
- Unborn babies where there is evidence of historical risk (e.g. previous children removed from parental care, known history of chronic drug / alcohol abuse).
- Any child or young person subjected to Female Genital Mutilation (*Edinburgh and Lothians Inter-agency Female Genital Mutilation Procedures*);

- Child or young person is being groomed and/or evidence of childhood sexual exploitation (*EMPPC – Inter-agency Guidance on Child Sexual Exploitation*);
- Any child that has been a victim of human trafficking (*EMPPC – Multi-agency Support Protocol for Victims of Human Trafficking*).

There has been a reduction in the number of IRDs in the last year, compared with the previous 3 years. Due to the high-risk nature of child protection work, IRDs are always the priority for children's social work services.

The IRD Oversight Group is made up of senior leaders from Police, health and social work who meet fortnightly to review all IRD work from the previous fortnight. The group provide crucial oversight to our IRD practice, quality assurance and data collection in relation to decisions made as part of the IRD. The group use an electronic template to record the discussion and collate the information required.

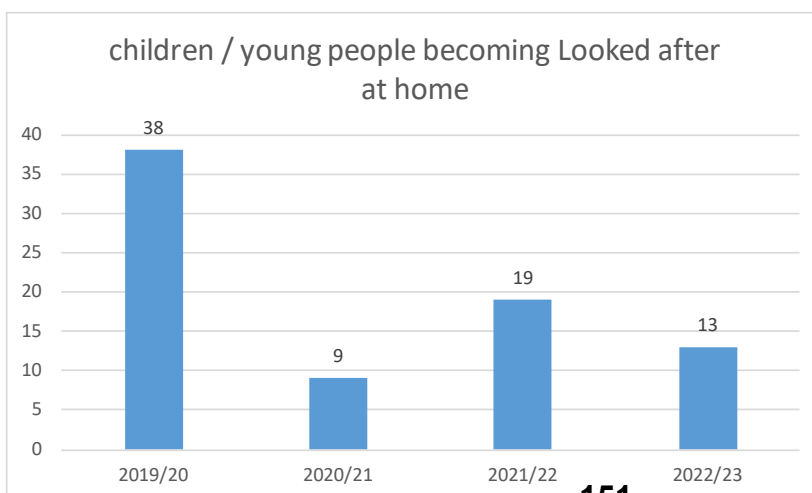
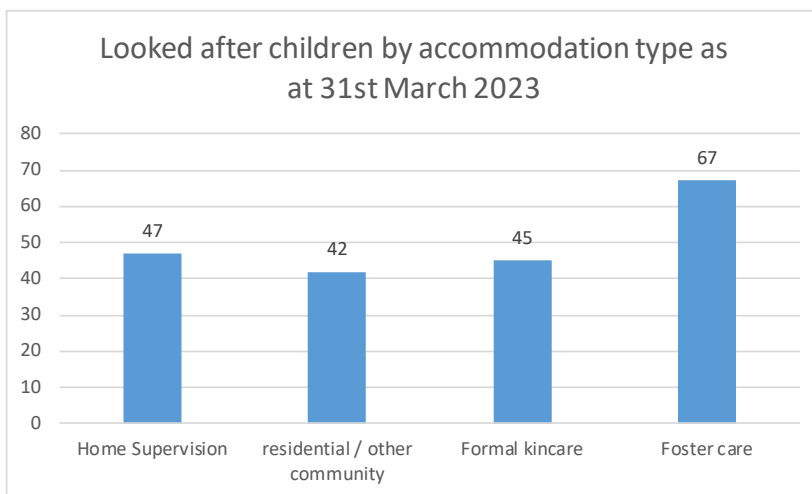
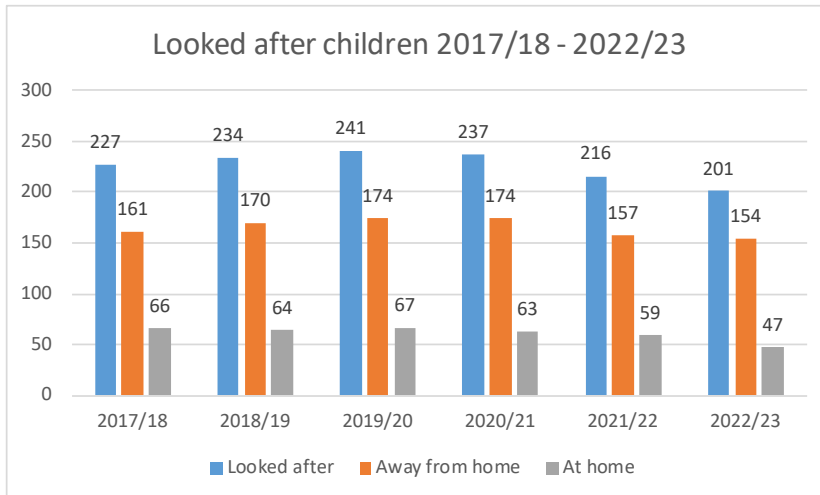
Themes identified throughout the year have highlighted a number of strengths in practice in relation to our IRD processes. Regular audits identified that there are effective multi-agency relationships, timely sharing of relevant and proportionate information and co-ordination. The rationale for decision-making was identified as clear, with appropriate use of the Safe and Together⁴ approach, professional curiosity, and interim safety plans. Areas for further learning and development included the management of repeat IRDs, recording within the IRD process and ensuring that the voice of the child is sought and evidenced throughout the process.

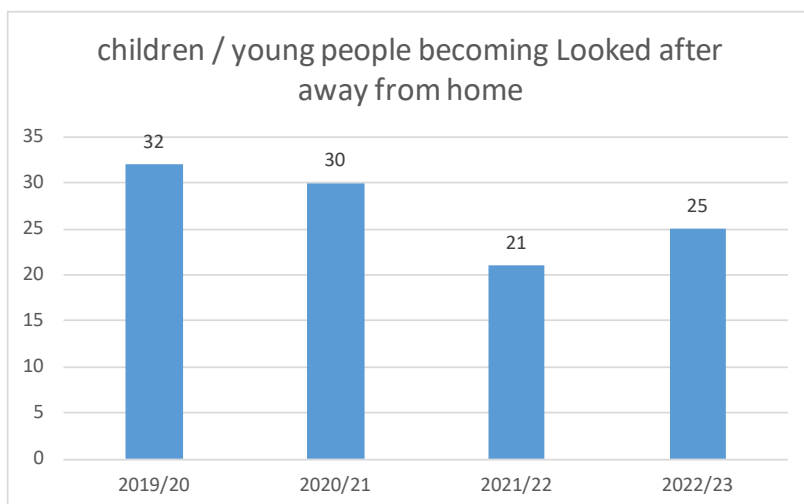
Our multi-agency approach to the IRD process is key to ensuring we are effectively responding to children at risk of harm in East Lothian. Figures show that in 2022-23 there was on average six IRDs per week. The work that this entails is significant and social work relies on highly skilled and experienced team leaders to coordinate agency information to inform joint critical assessments and the support and intervention that may be required. The majority of IRDs are conducted within Support and Intervention and Child Protection teams. Due to the recruitment issues experienced throughout

⁴ Safe and Together: is a model containing a suite of tools and interventions designed to help staff improve their awareness and understanding of domestic abuse.

2022-23, these teams were one team leader down which created significant additional pressure for the existing staff.

Looked after Children





Despite the increase in service demand, the overall number of East Lothian children who are looked after, both at home and away from home, continues to reduce. The number of children looked after in East Lothian in 2022-23 was 201 (this is a decrease of 6.9% from 216 in 2021/22). East Lothian's current rate per 1000 (0-17 population) is 9.1. This is below the Scottish average of 12.3. This is a national trend and we believe this reduction is related to our ongoing commitment to keep the Promise.

Our service redesign addressed our staffing structure, but also our culture. We knew that in the past we were accommodating more children than ever before and as a leadership team, we committed to challenging legacy practice on a case-by-case basis. We encourage staff to think creatively about how to support families to stay together when it was safe to do so.

External residential childcare

Throughout 2022-23, we have continued to focus on our prevent and return agenda in relation to the number of children and young people who required external residential care.

While we are delighted to report that we have successfully returned five young people over this timeframe to East Lothian, it has not been possible to stop other young people from moving out with East Lothian. A main focus of this work is ensuring all children and young people have strong assessment, planning and review arrangements in place. By keeping the Promise and paying attention to voice, family, and scaffolding, we are working to ensure all children are able to live in family care where this is safe

to do so.

As a small local authority, we have only a small amount of internal residential provision and we have been particularly affected by the national fostering recruitment crisis. While we welcome the national approach to investing in early intervention and community supports, there remains a cohort of children and young people's whose needs are so complex that we are unable to meet them within local resources.

Not only do external placements result in significant and unsustainable budgetary pressures, we know that most children who move out with East Lothian do not achieve positive outcomes. This is driving our changes in practice and culture and our aim is to meet the needs of children and young people within their own communities. We continue to review our internal resources with a view to increasing capacity, but this is particularly challenging within the current financial landscape.

Support and Intervention

The Support and Intervention Service holds the majority of longer-term social work with children who are usually subject to statutory orders, been involved in child protection processes or supported under Section 22 or 25 of the Children (Scotland) Act 1995. All children have an individualised child's plan and an allocated social worker.

A key function of Support and Intervention is to progress permanence plans so that a child can reach a stable position as quickly as possible. This involves establishing whether children are safe to stay at home, whether the need to be accommodated, whether they can be returned from care to their parents or whether they require long-term care with extended family, foster carers, adopters, or residential care. There are clear structures, support, and oversight in place to minimise drift for children and ensure children can always remain within their families where this is safe to do so. We adopt a family first practice model and use Signs of Safety assessment principles to ensure that families are given every opportunity to create their own solutions before we introduce our own.

For children who are involved with legal care proceedings, the delay in court processes post pandemic has continued to impact this area. The move nationally for independent expert reports being requested in contested Permanence applications can build in additional delays for the child and cause additional financial pressure for the local authority.

The family support team provides targeted, practical, and emotional support to families on the basis of a clear and mutual agreement set out in an outcome-focused care plan. The team also supports permanence planning through coordinating, delivering, and assessing family time arrangements.

The Independent Reviewing Officer team is now responsible for chairing reviews for children looked after at home, as part of our commitment to ensuring children's care plans maximise opportunities for improving outcomes. The first review is now three months after the children's hearing and three months before an annual children's hearing review to assess whether progress has been sufficient to recommend the order can be terminated.

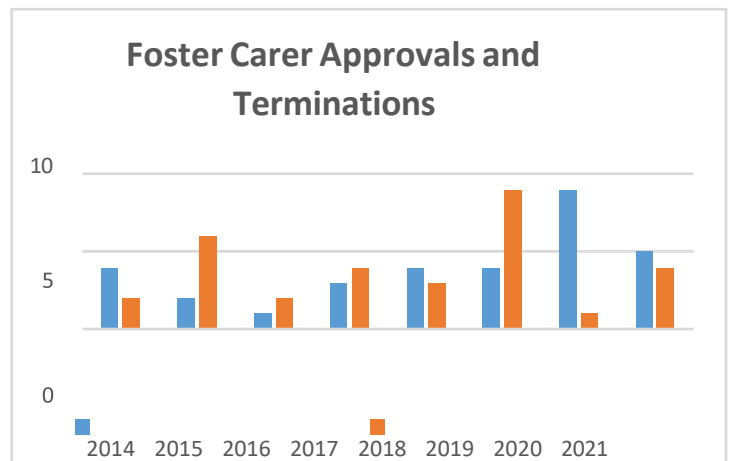
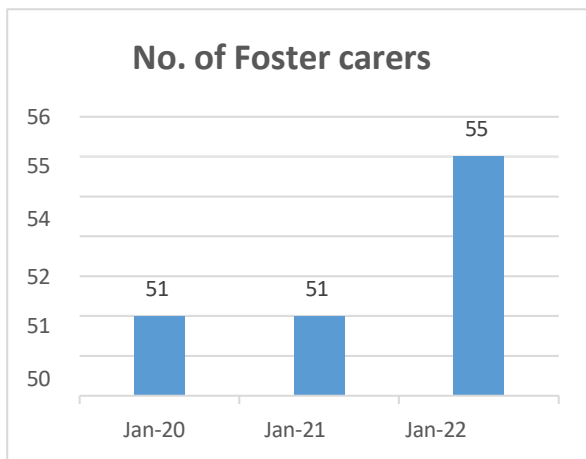
In a similar pattern to the national picture, we have experienced recruitment challenges in this area. We remain committed to achieving a fully staffed position and through a targeted campaign, we were close to achieving this at the end of 2022-23.

Specialist Social Work Services

Fostering

As outlined above, as part of the service redesign, we changed our Fostering and Adoption team into a separate Fostering Team and an Adoption and Kinship Care Team. Our aim is to provide children who require foster care with a strong, loving care experience. We know children need responsive support which can flex and adapt as they grow. We acknowledge that providing this standard of care can be challenging and exhausting, so our fostering team continues offering a high level of support and training to assist our foster carers in managing the daily issues they face.

We have seen an increase in the complex behaviors of children who require foster care. This includes a higher proportion of children who have diagnosed or suspected neurological diversity, attachment issues and signs of extreme distress.



During 2022, there has been an increase in requests for respite breaks as foster carers recognise the impact full-time caring can have on their own health and families. The team continues to have a very low number of new foster placements and the pool of available carers for respite or full-time care continues to reduce.

The low number of new foster placements has not resulted in a decrease in activity for the team, as the number of children and young people moving between foster placements, often due to placement breakdown, has continued to increase. A project is underway to analyse the reasons for placement breakdowns to see if there are any areas of learning for us as a local authority. We acknowledge that placement breakdown can have a devastating impact for the child. We have made significant steps to improve our pre-placement planning processes to try and prevent problems before they arise.

We believe that the lack of foster placements is directly linked to difficulties in matching children to the right placement.

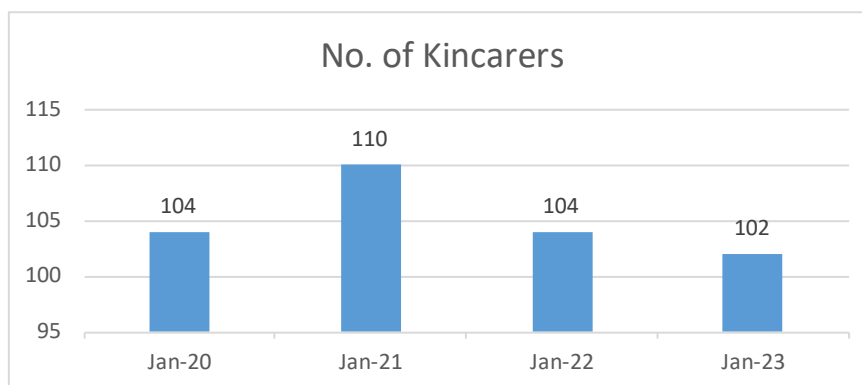
We continue to focus on the recruitment of foster carers and this is one of our main priorities. We believe having a consistent and constant recruitment message will help us grow our fostering family.

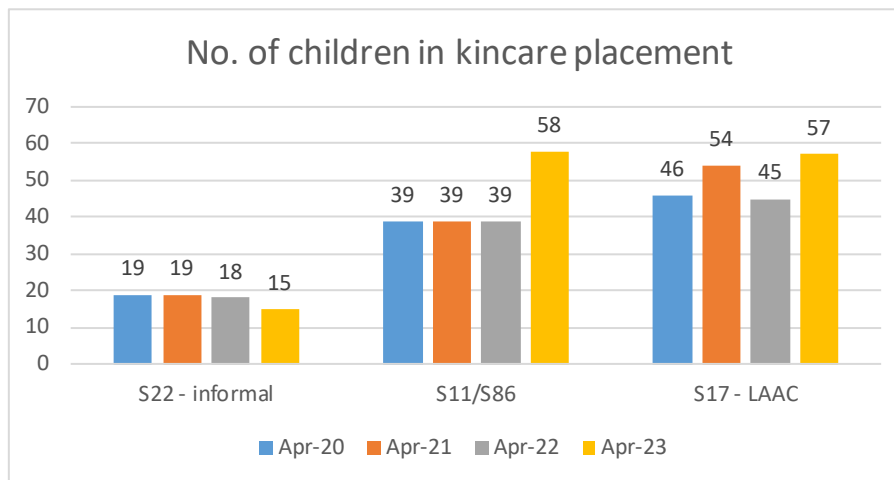
Continuing care

Children’s services has a strong track record in supporting young people to remain within their placement until they are ready to leave in line with the policy and legislative framework of Continuing Care. During 2022-23, five foster carers were approved to provide continuing care to enable the young person in placement to remain with them. Whilst this is very positive for our care experienced young people, it reduced the number of placements available for younger children. The reviewing officers are now conducting regular audits to ensure planning is clear, especially in relation to moving on from foster care. We have been developing a training presentation, including a video interview of one of our young people, and we are now planning to roll this out to foster carers and to fostering panel members in 2023.

Adoption & Kinship Care

Our promise to keep families together is evidenced through our investment in kinship care. Kinship care is routinely considered as the first option when parents cannot provide the care that a child requires. Our service works with other agencies to support kinship carers because we want to keep children safely together with their families wherever possible. We know that providing care can be challenging and exhausting and that we must scaffold our kinship families with support as much as possible.





The service continues to support families that are considering or wishing to adopt a child, and it is a challenge for the team to keep up with demand for assessments. We expect the implementation of the service redesign and the principles of the Promise will lead to a year- on-year reduction in children who require to be adopted. With this in mind, the service needs to attract more families who are willing to consider fostering and in particular, permanent fostering, to meet the changing needs of the looked after children population.

The demand for post-adoption support continues to grow, reflecting the challenges for adoptive families who are struggling to cope with and meet the complex needs of children. It is likely that the profile of the county, as a good place for children to grow up, may well attract adoptive parents to move to East Lothian.

Adoption panel Business 2022	8 children registered for permanency	3 children matched with forever family	1 adopter approval	1 long-term fostering approval
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Children's Disability

We have continued to provide a high level of support to children affected by disability and their families in 2022-23. This includes the following key stages of intervention:

- Assessment of need to truly understand the daily lived experience of the child and family;
- Using self-directed support principles to underpin support planning with the child and their family;
- Using available support and small budgets to meet the identified needs;
- Reviewing the support and / or budget provided to ensure it continues to meet the identified needs.

We support children who have severe and enduring disabilities. This can often involve child protection and statutory looked after processes. We have seen an increase in the number of referrals to this team and an increasing complexity of need. We know the impact of caring for a child with disability can cause significant pressure for families. There can be a high risk of family breakdown for the children allocated in this team.

The support provided by the team has led to improved outcomes for many children, including their ability to remain cared for within the family home.

The service's ability to meet the needs of children with disabilities has been significantly impacted by the lack of availability within Care at Home providers in East Lothian. Care at Home providers who are on the East Lothian Council framework have been unable to accept new referrals for children who live at home throughout 2022-23. The figures provided below reflect the shift away from Care at Home provision and towards direct payments so that the family can employ their own support via personal assistants.

There is a concerning lack of balance within this support system that is resulting in a lack of choice and in some cases, an absence of support where most needed in the family home. The disability team work closely with stakeholders to address this concern. We are aware that there is real risk of some parents being unable to sustain children living at home without the critical support they require.

The disability team also provide a Share the Care (STC) service to 11 children. This

involves providing daytime and / or overnight respite for children with disabilities. As is the case across the sector, the STC service has faced challenges in the recruitment of new carers. The service has developed their offer and following the pilot of Share the Care Activity Days in 2021, provided 7 days of support for children and their families during the school holidays in 2022. Diversifying STC to be more efficient and increase capacity with the carers we do have has provided opportunities for doing things differently. Families have had the opportunity to connect with one another in a positive, inclusive environment and the feedback received from families is testament to the success of this project and the true difference it makes. Being able to grow this critical service would allow us to support more families to care for their children at home and reduce the risk of expensive external placements being required.

Table : Number of children receiving support options						
	2017	2018	2019	2020	2021	2022
Direct Payment	45	47	57	70	89	95
Care at Home	30	35	33	36 (pre pandemic)	16	7
Share the Care	24	21	20	16	12	11
Residential Respite in ELC	10	9	8	11	9	12
Residential Respite out with ELC	4	3	3	5	4	4
Funded out with funding table Living at home	Table not in Place	17	14	15	18	19
Children supported at home	113	132	135	117	148	176
Looked after away from home	10	8	5	4	4	10
Total number of children supported by Disability Team	108	122	129	121	152	186

Throughcare and Aftercare

The throughcare and aftercare (TAC) team has been redesigned to ensure transition to this service is determined by the young person's developmental age, stage of their lives and their needs and not just their age. There is a much stronger focus on pursuing

long-term destinations and this is now considered from the beginning of a young person's care journey. In line with the Promise, we encourage all young people to protect and nurture lifelong connections within their family and beyond, to support them into adulthood.

As of 31st March 2023, there were 119 young people eligible for aftercare with 44 receiving an active service. 75 young people were assigned to the TAC duty service and can request support when they need to. Within the service, 28 young people have been supported to remain in fostering, residential or formal kinship care placements. Of the 119 eligible for aftercare, 47% are either in education, employment, or training.

The reality of life for young people leaving care continues to be extremely challenging. This has been exacerbated by the impact of the COVID-19 pandemic. Many young people experience poor mental health, substance misuse issues, financial hardship, and relational poverty. The experience of childhood trauma can be a significant contributor to the difficulties they can face, and a big focus of our work is to support young people in their recovery from this.

Midlothian Young People's Advice Service (MYPAS) is a local third sector substance misuse support agency, which has worked in partnership with the TAC team to support young people to access substance misuse education and counselling. We have recruited a new TAC nurse who provides advice, guidance, and support to young people with all matters related to their health and wellbeing. She connects young people with the appropriate universal and targeted health services in the community.

In partnership with the Financial Inclusion Team, there is a dedicated financial advice drop in for young people one day a week. We understand the importance of maximising a young person's income by ensuring they are claiming all their benefits and entitlements.

A monthly Education, Training and Employment meeting with our partners, reviews individual young people and identifies opportunities tailored to their individual support needs and interests in line with the *No One Left* behind agenda. This also enables our partnership team to identify gaps in provision for education, training, and employment.

Having a secure and stable home-base is an essential component for a young person to make a successful transition into adulthood. All our young people have a plan for leaving care that includes accommodation and support. The service works closely with housing colleagues to plan for appropriate housing options and to forecast future needs. However, the significant shortage of housing in East Lothian that can impact this particular group of young people. The level of trauma that some young people have experienced means that managing to sustain their care and support plan is not always possible. Many young people find themselves struggling to maintain relationships or accommodation, which can lead to homelessness.

We have continued to develop our supported accommodation offer to young people leaving care. This includes the My Place peer mentoring project which matches young people with a supportive flat mate. Local supportive accommodation options have continued to deliver mostly positive outcomes for young people. The transition to their forever home is regularly impacted by delays in the availability of housing, which in turn can increase instability for young people. This creates a block in the system which delays other young people having the opportunity to take their next steps towards independence.

Young People Seeking Asylum

In October 2021, the UK Government moved from a voluntary to mandatory national transfer scheme for young people seeking asylum who arrive in the UK unaccompanied. The transfer scheme is designed to relieve the pressure on the English local authorities at the main points of arrival into the UK. Like other Scottish local authorities, we raised significant concerns about the lack of accommodation and placement options within East Lothian, but this did not change the expectations of the Home Office.

As of March 2023, eight young people have arrived and remained in East Lothian. We have worked in partnership with other council and partner services to provide accommodation and support to the young people with a view to helping them settle and begin to plan for their lives. Supports required can include accessing education,

language support, ensuring they have a guardian and a lawyer and ensure their practical, emotional, and cultural needs are met.

Unaccompanied asylum-seeking young people obtain looked after status until they turn 18. They are then eligible for aftercare until they turn 26.

Unaccompanied asylum-seeking young people who report to be 16 or over are supported to access housing primarily through the *My Place* project. Unaccompanied asylum-seeking children who report to be 15 or under must be placed within a suitable provision for children such as foster care or residential care. These resources are often operating at capacity, and it can be challenging to find suitable options for all children referred to us via the transfer scheme.

Wellbeing and Justice

Despite some delays in recruitment our Wellbeing and Justice service provide support and intervention for children and young people who are in conflict with the law, with the aim of preventing further offending. All social workers are trained in Start:AV risk assessment and deliver a wide range of offending-focused interventions to address the presenting issues and support needs.

We have introduced a concerning sexual behaviour consultation service for professionals and are able to deliver specialist assessments for young people displaying harmful sexual behaviour. We have also delivered dedicated courses such as *Inform Young People* which is an intervention for young people displaying technology assisted harmful sexual behaviour.

We have strengthened our focus on Early Effective Intervention and carried out 42 initial visits, of which 22 (52%) agreed to intervention work. We are also developing a restorative justice program alongside Includem.

The service now provides youth justice workers to work alongside social workers of allocated young people where problems of offending arise. This allows us to utilise specialist knowledge, whilst also protecting existing working relationships when

appropriate.

This year we have seen an increase in requests for reports from the Procurator Fiscal. In accordance with the national picture, we have seen an increase in requests for diversion from prosecution reports for a range of offences as the national policy direction is to keep 16 and 17-year-olds out of the adult criminal justice system.

We continue to focus on delivering the Promise for young people in conflict with the law. We support the national desire to keep under 18s out of prison, reducing the use of secure care and using community alternatives where possible. We are looking forward to seeing the impact of the Children's Care and Justice Bill if passed in the coming months.

Children's residential service – Lothian Villa

Our local residential childcare provision is delivered over two houses. Lothian Villa Ravenshugh is in Musselburgh and Lothian Villa Meadowmill is just outside Tranent. We currently have space for 13 young people across the two houses.

In 2022, we implemented a new management structure for residential services with a newly appointed service manager and a new team leader for each house. The team leaders are responsible for the day-to-day delivery of high quality care experiences for the young people who live there. They also supported the service manager to develop two new services - the Intensive Outreach Service and formalising the Lothian Villa Throughcare and Aftercare offer. These projects seek to utilise the skills of our residential workers and increase our ability to support people who are not currently in one of the residential houses.

The intensive outreach service was designed to support families when there is a risk of family breakdown. It uses a relationship and strength-based approach to work with young people and their families in the community, particularly to reduce the risk of the child coming into care. The service also supports fragile foster placements and is available in evenings and at weekend when people would need support the most.

In addition, we piloted a Lothian Villa 'step down' provision to provide a different type of support for older young people. This helped to create capacity within the houses whilst also supporting the young people to take important steps towards independence when they were ready for this transition.

Quality Assurance and Improvement

The Performance and Care Governance group within children's services oversees all quality assurance work. It is a key forum for reporting and scrutinising information to ensure the service continues to develop and improve. Each quarter, we report on key performance indicators and data points related to various aspects of the service, including referral data, numbers relating to looked after children, throughcare and aftercare, and child protection data. Key areas of work discussed at this group between 1st April 2022 and 31st March 2023 are highlighted below.

The audit calendar was updated for 2023 to 2026, identifying priority areas and timescales for various pieces of audit work. This continues to be updated each quarter, providing updates on work underway and making sure any additional pieces of work are added in.

Some key audit updates from 2022-23:

- The Signs of Safety Baseline audit was undertaken at the start of 2022 and outcomes and recommendations are now finalised. The relaunch of Signs of Safety continued through 2022 with training provided to all staff. In addition, the Signs of Safety consultant facilitated team days with each area of the service to consider how to apply the model within their area of work. In November 2022, the new Signs of Safety assessment and plan template were launched, and work has continued since then to support staff to embed this in practice.
- We undertook a Safe and Together audit and the resulting actions are being taken forward by the Safe and Together implementation group. This file audit showed the progress made across children's services in applying a domestic abuse informed approach to practice and highlighted specific areas for future work to ensure all aspects of the model are consistently embedded.

- A whole staff wellbeing survey was undertaken between June and August 2022. This highlighted the impact of the Covid pandemic on our workforce, the challenges of high caseloads and the significant pressures on worker's time. It provided insight into the service re-design showing that while many staff supported the redesign, there was frustration with the length of time this took to implement.
- A report produced in December 2022 outlined the various improvements and work underway in response to the themes highlighted in the survey. This included dedicated funding for team development days, sessions delivered about wellbeing and trauma, and positive feedback regularly reported back to staff at weekly briefings. A staff wellbeing action plan was also developed and this survey is due to be repeated in 2024.
- We undertake a child protection file audit every two years with the latest audit starting in January 2023.
- Towards the end of 2022/beginning of 2023, preparation was started for an audit of Care and Risk Management (CARM) cases which involved seeking views from young people and their families who had recently experienced the CARM process. This work continued into 2023 with the survey undertaken with young people in spring 2023.
- In 2022, the Children's Disability Team developed an online parent's survey to gather the views of people who have experienced the service. This was developed in early 2023 and went out to parents in summer 2023. This will be completed annually to gather ongoing feedback to inform the evaluation and development of this areas of the service. This work will be shared across children's services and we will consider where else in the service this approach could be replicated.

Voice and Participation

Children's services continue to consult and engage with children, young people, families, and communities and we now plan to strengthen our approach in this area.

Engagement takes place in a variety of ways including focus groups for those with lived experience and liaison with the Champions Board, which provides a platform for

care experience young people to directly influence service development and improvements.

Our Promise lead undertook a series of consultations in early 2023, specifically on the vision of children being happy, healthy, and heard. This involved gathering opinions of those who may be underrepresented in decision making and participation It involved speaking to young people with disabilities, those within the youth justice system, young carers and those receiving TAC services.

Consultation feedback tells us what matters to children, young people, and families. Common themes included:

- Relationships with the important people in my life;
- Understanding my rights;
- Supports for children with hidden disabilities;
- Access to sports and activities;
- Healthy food;
- Networks and connections through having access to family, friends and pets;
- Opportunities to play.

Viewpoint is another way of hearing the views of a child and young person through an online questionnaire. The responses provide us with the child or young person's reflections on their life and covers health, care and education and the support they receive from children's services. As at the 31st of end March 2023, there were 127 children and young people who had completed a Viewpoint questionnaire. We would like to improve these figures and are actively promoting the use of Viewpoint across all services.

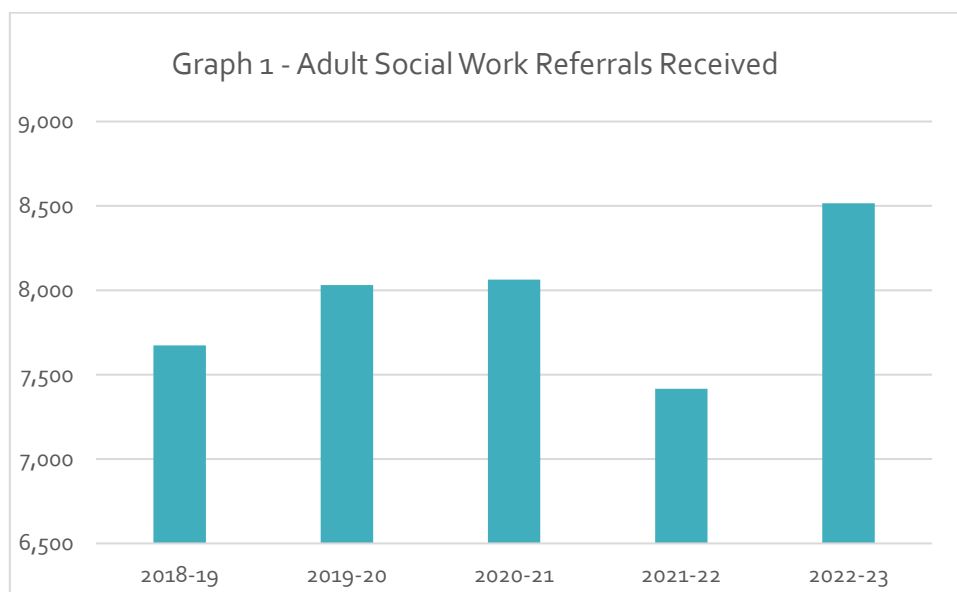
Questionnaire completed	April 2023
Child wellbeing	4
Young person wellbeing	7
Early Intervention	15
Young carers referrals	91
Young carer statement	101

Adult Health and Social Care

Social Work Duty and Assessment

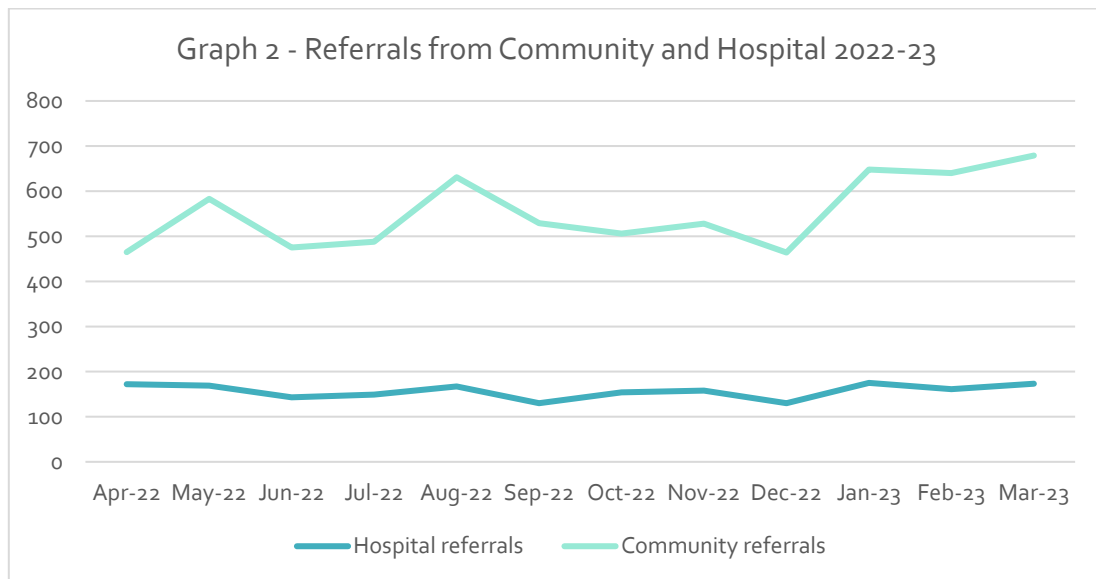
During 2022-23, just over 8,500 referrals were received to Adult Social Work. Graph 1 below shows a five-year trend for referrals. It should be noted that the Covid-19 pandemic will have impacted on referral rates for a number of the years included, with particular evidence of this during 2021/22. The significant rise (15%) witnessed in 2022-23 from the previous financial year, is in part due to the Covid-19 related dip in referrals during 2021/22. However, comparison between 2018/19 and 2022-23 shows an overall rise of 11% and is indicative of the increasing service demand, resulting from population growth in East Lothian and the growing proportion of the population with increasingly complex needs due to disability and / or older age.

The increase in referrals in part reflects the impact of population growth in East Lothian as well as the increased in people with more complex care and support needs due to disability and older age.



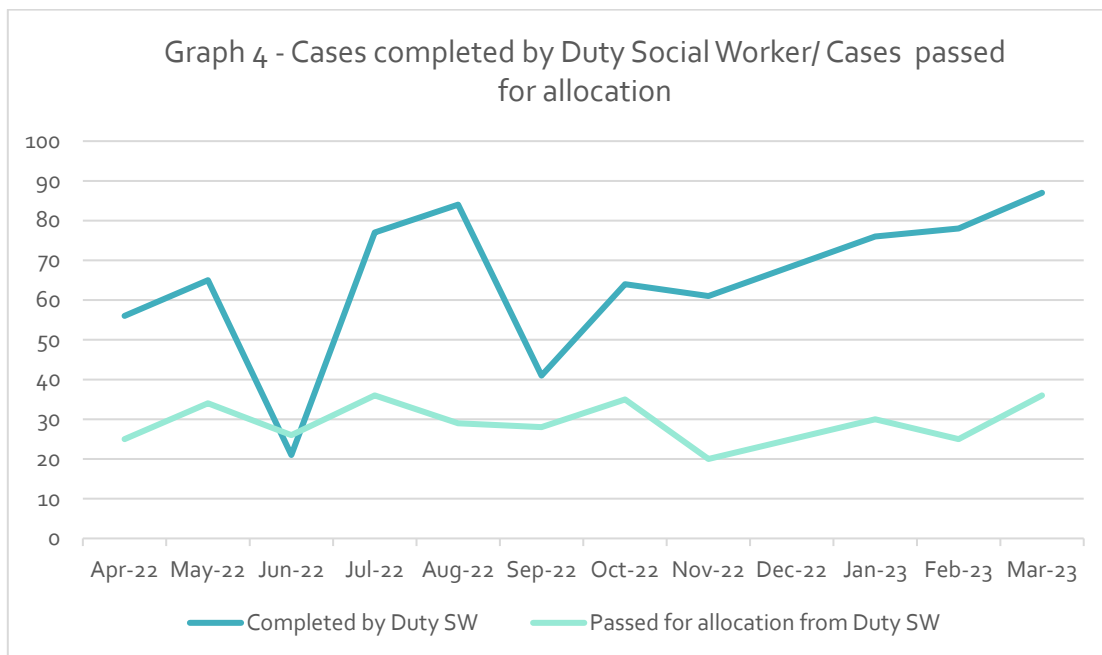
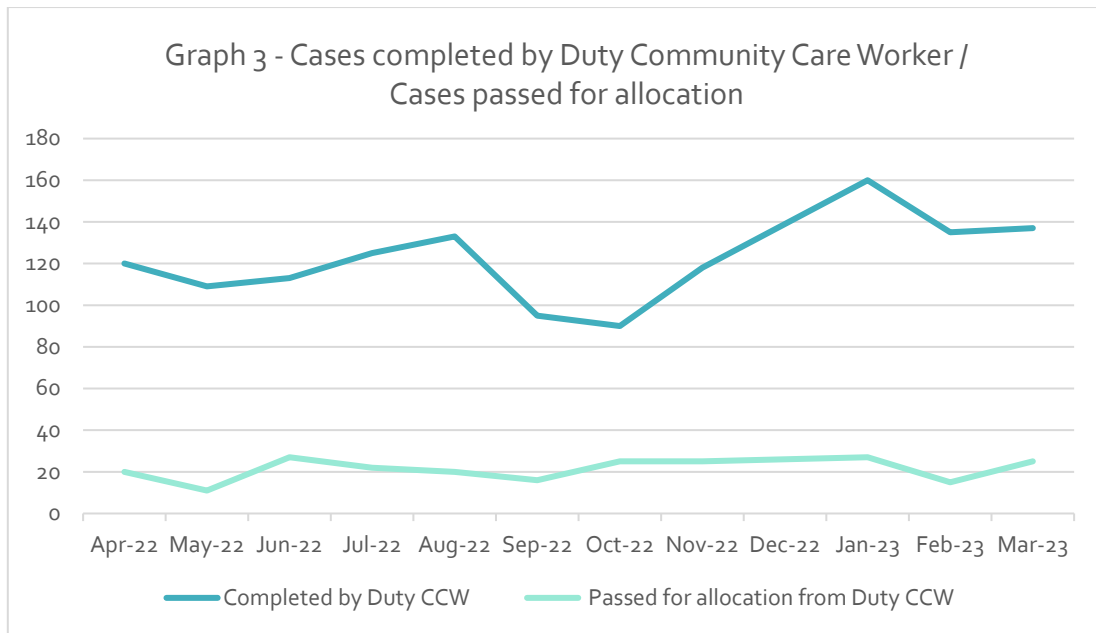
Graph 2 below shows referrals from people living in the community and in relation to those in hospital at the time of referral. In total, 1,881 referrals came from hospitals and 6,636 from within the community. Across the year, Adult Social Work received an average of 467 referrals a month for people at home in the community and 85 in

relation to people in hospital. There is an overall upward trend for community referrals and slight downward trend for those from hospital.



The Adult Social Work Service was reorganised in September 2022, merging the Duty Team and Assessment and Care Management Team. All staff now participate in a rota to cover the duty function, as well as holding a case load for assessment and care management. This means that practitioners work across all areas of professional activity from crisis intervention to long term work. This has helped to strengthen worker and service resilience. Overall, services performed well with clear evidence of improvement as a result of the developments to service design and delivery.

There has been a consistent trend of cases being concluded at the point of duty, avoiding the need to wait for assessment. This has resulted from a new focus on stronger decision making within duty. Graphs 3 and 4 show performance in relation to this throughout 2022-23, demonstrating that the majority of cases in each month were completed within duty by either a duty Social Worker or Community Care Worker.



Where a more in-depth response is needed some cases still require to be progressed to a waiting list for allocation. With the exception of a two-month period over summer 2023, when people waited 4 to 6 weeks, the service has been able to allocate cases within a two-week timeframe.

The service has worked towards allocating at the point of referral and this is now largely possible, particularly when work can be allocated to community care workers.

In some weeks there is no waiting time for assessment, so cases can be started on duty and held by the same worker, ensuring intervention at the earliest opportunity, and achieving continuity for service users. As well as improving experiences and outcomes for service users, carers, and families, this has increased service efficiency avoiding more costly crisis intervention caused by lengthy wait times.

- There are a range of internal mechanisms to monitor the quality of provision and to action any improvement activity required. Managers have made improvements in the following areas:
- Direct supervision of frontline practice by senior practitioners via an enhanced supervision policy;
- Individual reviews of care plans, packages of care and risk by case managers through a new 'self-assessment evaluation' tool;
- The introduction of a new caseload management system that highlights when caseloads have capacity or not, maximising the amount of cases that can be allocated across the team.

Focusing on Personal Outcomes

The principal aim of the of the Independent Review of Adult Social Care was to look at how adult social care could be improved in terms of the outcomes achieved by and with people using social care services.

Following on from the publication of the Independent Review's recommendations, work is underway to review assessment processes in East Lothian. There is a recognition that assessment should be simple and based on a supportive process involving good conversations with people; greater involvement of individuals in planning their own care; and with a focus on early intervention and preventative practice.

In order to do this, we are looking at the development of systems that enable greater flexibility; simplified processes; and forms that support outcomes for people around wellbeing and community connectivity. This also necessitates a shift of focus away from eligibility and crisis intervention. This will require a culture change within the HSCP to reflect the changing landscape for social care.

Local developments are also in line with Self-Directed Support (SDS) legislation which provides important legal rights for people to exercise greater choice and control over how their assessed needs are met. Work is ongoing to ensure that the core components of the SDS Framework are embedded in practice and key processes.

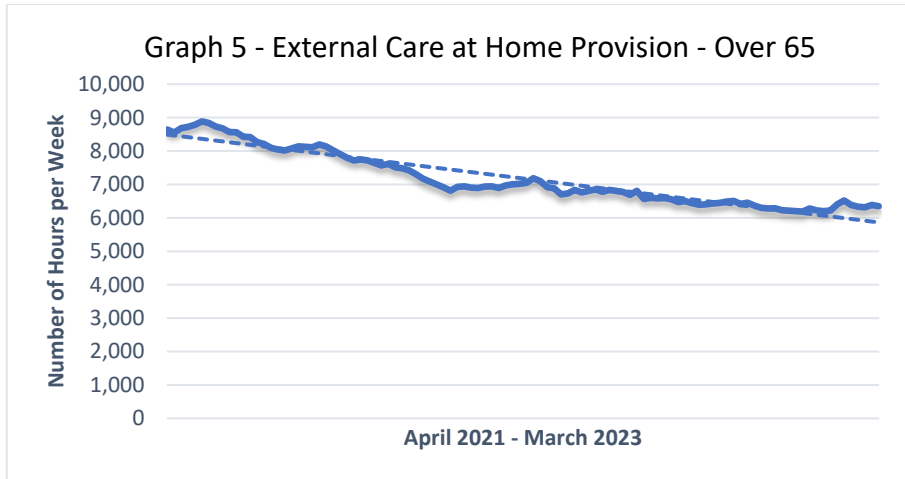
Ongoing work within the service to redevelop referral, assessment and support planning documentation will ensure that we are placing personal outcomes at the centre of social work, and joint decision making at the heart of the process. These outcomes will be person-centred and measurable so we can monitor the impact that social work interventions have on individuals. Data will support continuous improvement, resource planning and commissioning of future services. It is anticipated that testing will start in the latter part of 2023 with implementation early in 2024.

Care at Home

HSCPs across the country have faced significant challenges in recent years in relation to the delivery of Care at Home services. This has been partly due to changes in the type and complexity of care packages required, compounded by difficulties with the recruitment and retention of staff.

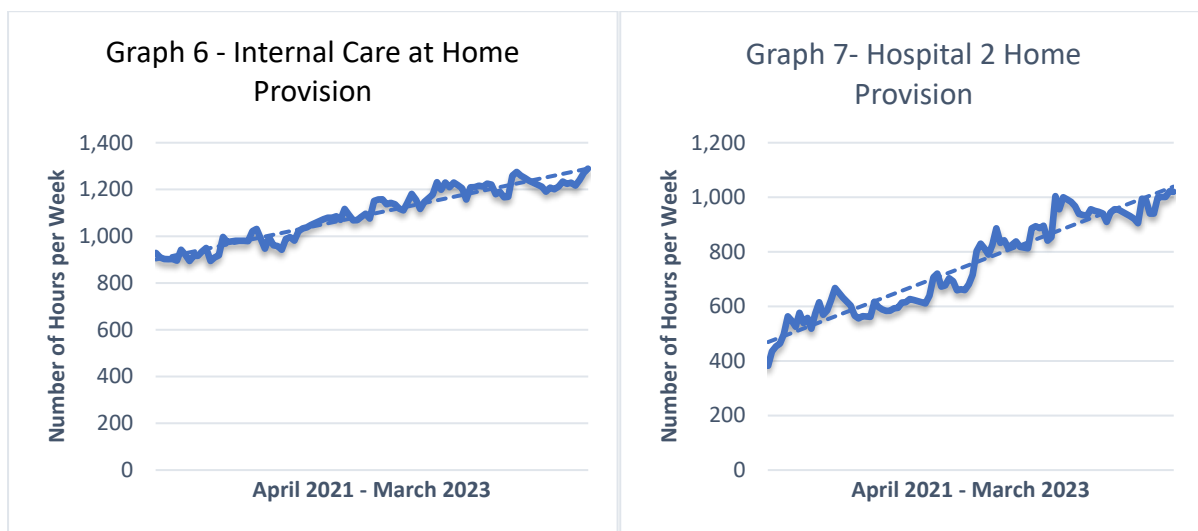
Care at Home services in East Lothian are delivered by a combination of HSCP managed services (Homecare and Hospital to Home) and services delivered by external providers.

Graph 5 below shows the impact of the Care at Home crisis in terms of the reduction in the number of care at home hours delivered for adults over 65 by external providers in East Lothian from around 8,500 in April 2021, to under 6,500 in March 2023 – a reduction of around 2,000 hours per week.



In response to the decline in external provision and the ongoing fragility of external providers, the East Lothian IJB made a strategic decision during 2021/22 to increase the capacity of HSCP managed Homecare and Hospital to Home services. Graphs 6 and 7 show the increase in care hours per week resulting from the expansion of both these services and show the following:

- An increase in the delivery of internal Care at Home from just over 900 hours a week in April 2021 to almost 1,300 in March 2023 – an increase of around 400 hours per week.
- Over the same period, an increase in delivery of the Hospital 2 Home service from around 400 hours to over a 1,000 – an increase of 600 hours.



Although significant, this additional capacity has not fully offset the loss of external hours. Whilst internal services have increased the number of hours provided by over 1,000 per week, over 2,000 external hours have been lost – leaving a shortfall of around 1,000 hours per week. A number of other measures have been introduced to help ensure that the available provision is used as effectively as possible. These include:

- Carrying out risk assessments to identify those most at risk, so they can be prioritised for service delivery.
- Establishing a dedicated team to manage and respond to situations where providers are unable to deliver contracted hours, including responding to instances when providers have to close or amalgamate.
- Expanding the Support Plan Broker team so that more staff are available to set up packages of care.
- Running a weekly or fortnightly Care at Home Huddle and quarterly Care at Home Oversight Group to monitor the Care at Home situation and respond as needed.
- Developing how referrals are managed so that people do not have to wait to be assessed for support (see Adult Social Work section above).

The most recent data available (November 2022) suggested that unmet need for Care at Home is higher in East Lothian (1.93 per 1,000) than in Scotland as a whole (1.15 people per 1,000). However, our achievements in reducing our assessment waiting list means that there is no hidden unmet need in East Lothian.

Planning the development of Care at Home services to ensure they are able to meet current and future needs is a priority for East Lothian IJB. A Care at Home Transformation Programme was launched in 2022-23, with a change board established to lead this work. Initial work undertaken has been to gather and analyse data on current and future Care at Home costs, supply, and demand across East Lothian. Findings were reported in April 2023 and will inform the future development of Care at Home service provision, including alternative models for Care at Home support that are more sustainable in the longer term.

Partnership with the Third Sector – Community First

The East Lothian Community First Service was launched in October 2022. Community First is delivered by VCEL (Volunteer Centre East Lothian) with funding from East Lothian HSCP. The new service builds on a previous service and a pilot initiative that was delivered in 2021/22.

Community First provides support to people who are struggling with their health and wellbeing, helping them to access community services. It also provides support to people leaving hospital, as well as helping to prevent hospital admission, or readmission.

The service is based on ‘what matters to you’ conversations, helping people to explore the opportunities available to them and carrying out ‘goal setting’ using a strengths-based approach.

People using the service have identified needs related to social isolation, financial hardship, food poverty, benefits issues, carer stress, housing, relationship breakdown, mental ill-health, physical ill-health, hospital appointments, and substance use.

Over 170 people benefited from the Community First service from October 2022 to March 2023. Support is provided by a combination of staff and volunteers - eighteen volunteers were involved in the first 6 months of the service, providing around 360 hours of support.

Care Homes

East Lothian Care Home Managers continued to implement Public Health guidance throughout the year in relation to infection prevention and control measures. The Care Inspectorate also integrated this fully as an ongoing area for scrutiny in their new framework to ensure this is fully embedded in current practice.

Oversight of care home quality issues continued through the weekly Care Home Huddle which was implemented during the pandemic and continued to work well. The huddle is overseen by the HSCP Chief Nurse and local intelligence data is reported to the huddle from a variety of sources including the NHS Care Home Team, clinical and education teams, Quality Improvement Officers, Care Home Assessment and Review

Team (CHART), East Lothian Care Home Assessment, Support and Education (ELCHASE) team, as well as information from ongoing contract monitoring visits. The huddle supports early identification of issues and offers opportunities for clinical, educational and audit support when required.

The number of COVID-19 outbreaks across homes and subsequent suspension of admissions reduced slightly in 2022-23 compared to the previous year. There was also a smaller number of staff and residents being reported as COVID-19 positive in homes. The partnership continued to experience pressure in relation to hospital discharge. They arranged block placements with Tantallon House and Haddington Care home over winter 2022, bringing an additional 12 interim beds to support hospital flow. Interim bed use was supported through the use of additional Scottish Government funding, although this was time limited, and the partnership began to wind down the use of these interim placements into 2023.

There were three care homes that entered into Large Scale Investigations (LSI) over the course of 2022-23, including Tyneholm Stables (Oct 2022 – April 2023), Harbour House (Feb 2023 – May 2023) and Drummohr (March 2023 – May 2023). Two of these coincided with lower inspection grades by the Care Inspectorate while the Drummohr LSI was instigated due to quality issues identified in the home.

The table on the following page shows inspections completed in 2022-23 and grades achieved:

Inspections 2022-23								
Name of Establishment	Care Type	Date of CI report	Wellbeing	Leadership	Staffing	Setting	Care & Support	Support during COVID
Nursing Homes								
Astley House	Nursing	08/08/2023	4	5	5	4	4	N/A
		15/06/2022	N/A	N/A	N/A	N/A	N/A	4
Belhaven Nursing Home	Nursing	23/06/2022	4	4	5	5	4	
Drummohr	Nursing	13/04/2022	3	N/A	N/A	N/A	N/A	3
Fidra Nursing Home	Nursing	26/07/2022	4	5	N/A	N/A	5	
Haddington Care Home	Nursing	23/09/2022	N/A	N/A	3	N/A	N/A	N/A
		12/05/2022	3	3	3	3	3	4
Harbour House	Nursing	21/03/2023	2	2	2	2	2	N/A
		03/02/2023	1	1	2	2	2	N/A
		14/09/2022	4	4	4	5	4	N/A
Lammermuir House	Nursing	03/03/2022	5	N/A	N/A	N/A	N/A	5
Muirfield Nursing Home	Nursing	18/07/2022	4	5	4	5	4	
Tranent Nursing Home	Nursing	12/07/2022	4	5	4	4	5	
Tyneholm Stables	Nursing	03/02/2023	3	3	N/A	N/A	3	N/A
		12/10/2022	2	3	3	3	3	N/A
Hilton Lodge	Nursing	25/04/2022	5	5	5	5	4	
Residential Homes								
Linkfield	Residential	06/06/2022	N/A	N/A	N/A	N/A	N/A	4
		09/03/2022	4	N/A	N/A	N/A	N/A	3
The Abbey	Residential	23/05/2022	2	2	2	N/A	3	

Care Home Assessment and Review Team (CHART)

CHART is primarily responsible for undertaking social work assessments and providing a service for older adults where moving to a care home from hospital or the community has been highlighted as a potential option.

The team take a 'home first' approach for all referrals and work closely with the East Lothian Community Hospital patient flow team to minimise delays. Within its hospital discharge role, CHART supported 372 adults to move into care homes during 2022-23.

Not all adults who are referred to the team move into a care home. If a person can return home with a package of support, this is always the preferred option.

For every adult who is referred to CHART, a social worker is allocated to assess whether moving to a care home is the most suitable option for the person. They work with the person and their family as they navigate the transition into a care home as well as carrying out a review 12 weeks after their move. The team's review function extends to all adults living in care homes in East Lothian, as well as adults from East Lothian who have moved to care homes elsewhere. The team completed 207 reviews in 2022-23.

The team also respond to and investigate adult protection concerns in care homes. Close partnership between the Care Inspectorate and East Lothian HSCP has helped to identify serious adult protection concerns and allowed the partnership to respond effectively.

CHART played a key role in the three LSIs that took place in East Lothian Care homes during 2022-23. By providing key staff to provide guidance, training and support within the homes, the Care Inspectorate was reassured that imminent risks were addressed to keep residents safe from harm and prevent any further emergency measures being taken. The teams worked together to provide scrutiny throughout the period of the LSIs and were able to support the homes to make improvements, whilst continually monitoring residents' safety.

LSIs have highlighted the importance of good leadership in a care home setting, particularly the role of the manager in maintaining care standards.

During the year 2022-23, CHART responded to 856 individual incidents within care homes. This included issues such as falls, medication errors, injuries, adult protection, and financial concerns.

Within East Lothian, building and maintaining effective relationships with care home managers is key to early identification of concerns. We ensure that each home has a delegated social worker who maintains an overview of care home residents. Care home managers can seek advice and guidance from their link worker relating to residents or the care home as a whole.

Details of incidents and any other information is collated and discussed at the Care Home Huddle which involves teams across the Health and Social Care Partnership, ensures interservice involvement is maintained and supports with good lines of communication.

Supporting Carers

Work took place throughout 2022-23 to develop a new East Lothian Carer's Strategy. Once complete, this will guide activity in this area over the next three years. Engagement with carers, carer organisations and carer representatives has helped to inform the content of the strategy. It is anticipated that the new strategy will be agreed in June 2023 and that it will be accompanied by an implementation plan that will be monitored and reviewed annually.

Other developments during 2022-23 included:

- Allocation of Carers Act funding to support a wide range of carer support services, including information and advice services.
- Allocation of Carers Act funding to support Carers of East Lothian 'Time for me' fund, giving support and funding to carers enable them to arrange short breaks.
- The appointment of a Carers Strategy Officer to develop the new Carers Strategy and to take forward the carers' agenda across the HSCP.
- The short-term appointment of a Mental Health Officer to help clear the backlog of private guardianship applications.

- The appointment of a Community Care Worker to provide support to carers.
- Allocation of personal budgets to 20 carers to help meet their personal outcomes.
- The appointment of an Occupational Therapist within East Lothian Rehabilitation Service (ELRS) to support an innovative Carers Pathway (focused on health and wellbeing outcomes for carers).
- Development work to secure a number of respite beds in local Care Homes to provide planned, bookable respite (with the first bed being available from March 2023).
- HSCP staff and Carers of East Lothian forming a working group to review East Lothian's Adult Carer Support Plans (ACSP) and pilot a revised form with a small number of carers. Implementation of the new ACSP is due to take place during 2023-2024.
- Development of a new Carers Pathway to improve carers access to support services.
- Ongoing development of the Hardgate Short Breaks Service (see below)

Hardgate Short Breaks Service

Hardgate short breaks service offers regular flexible breaks for individuals with learning disabilities and complex health needs. It can provide emergency accommodation and support. The service has grown over the last year to offer a service to nine service users. Ongoing development will allow for new referrals to be accepted later in 2023.

The service provides parents and carers in East Lothian with frequent reliable respite from their caring duties. Service users enjoy a break in a familiar setting with staff who have the specialist skills required to provide a safe and nurturing environment throughout their stay.

The Hardgate team works in partnership with the Community Learning Disability Team (CLDT) to ensure that everyone's needs are fully assessed prior to, and completely met during their stays. Staff working in the service have completed training and attended information sessions to enable them to support a range of health and social

care needs safely and effectively. Staff training and development has meant that the service is able to offer short breaks for people with clinical intervention requirements that have previously been supported by nursing staffed respite services rather than in social care settings.

Learning Disability Services

As a local authority area, East Lothian has the fourth highest percentage of adults with a learning disability in Scotland – 7.3% per 1,000. Learning Disability Services in East Lothian currently includes the Learning Disability Social Work Team; Adult Community Resources (Shared Lives, day and respite services) and the Community Learning Disability Team.

The Learning Disability Social Work Team was established in April 2021 and works closely with Adult Social Work team and the Community Learning Disability Team.

The Social Work Team consists of a Team Manager (this role is shared between two staff), three Senior Practitioners, eight Social Workers and four Community Care Workers. The team continues to focus on all statutory work including assessment, reviews, local authority welfare guardianships and coordination of all transitions of young people to adult services.

One of the key priorities for the team was to ensure that reviews were up to date and completed on an annual basis. In response to feedback from families, we are working with partners to streamline this process to ensure that there isn't a need for multiple reviews.

In October 2022, the team assumed responsibility of managing all local authority welfare guardianships for people with a learning disability. At present there are 33 allocations within the team. We continue to work closely with the Mental Health team and seek support and guidance as required.

The coordination of transitions across the partnership is key to ensuring young people and their families/carers experience receive the right level of support at the right time. The senior lead within the Learning Disability Social Work team co-ordinates and screens all transition referrals and they are the main contact for all professionals which

includes health and education. This ensures consistency of approach and provides one point of contact. Colleagues from Children's and Adult Services meet four times a year to co-ordinate, share and update information about all young people due to transition to Adult Services, both prior to and following referrals being made.

The East Lothian Transitions Protocol has been revised to ensure best practice is applied, supporting young people's transition to adulthood by promoting their rights, highlighting clear duties, clarifying areas of responsibility, and setting timescales.

We continued to make significant progress in delivering our Community Transformation Programme during 2022-23. The Programme focuses on developing community capacity and support for older adults (65+), and adults under 65 with disabilities or mental health support needs.

Our Resource Coordinator team supports people with learning disabilities to access community-based activities where they do not require a resource centre-based service. There are currently 238 people accessing a range of community-based sessions focusing on physical activity and skills development.

The service continued to develop and grow during 2022-23, both in the existing communities and expanding to cover the Dunbar and North Berwick areas.

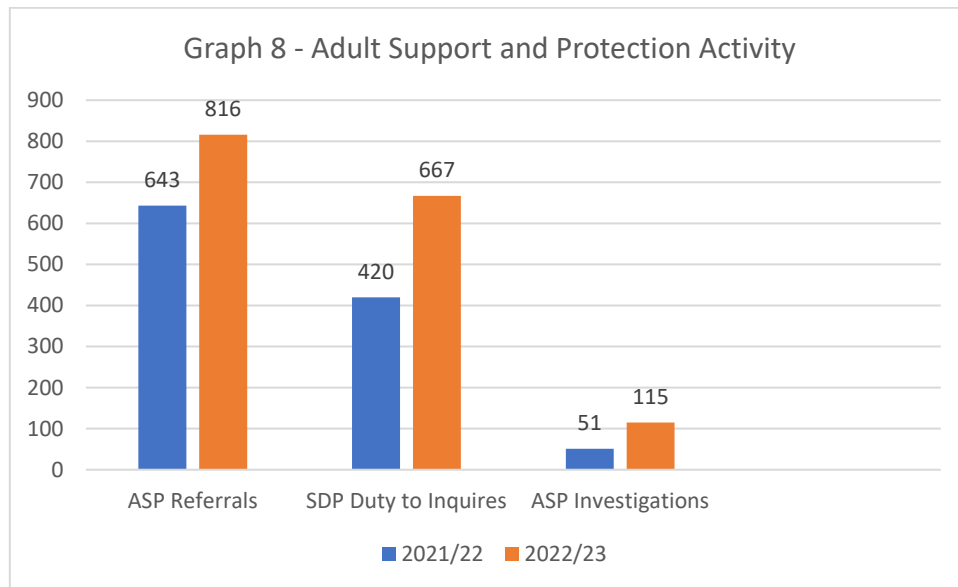
Since their introduction, resource coordinators have supported the development of a wide range of day opportunities in communities across East Lothian. The team works closely with the third sector and East Lothian Council's Connected Communities team.

Adult Support and Protection

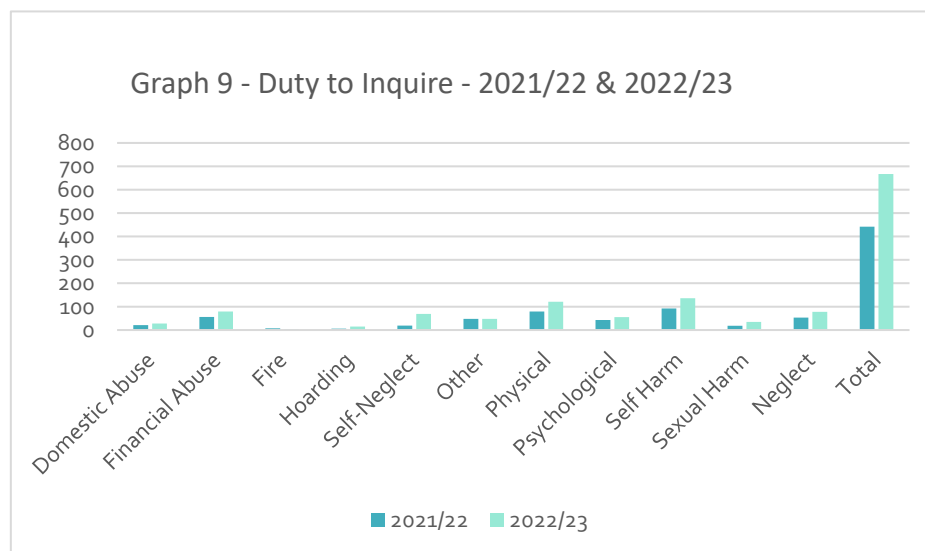
East Lothian HSCP has responsibilities and duties under the Adult Support and Protection (Scotland) Act 2007 when it believes or suspects that an adult is at risk of harm. We all have responsibilities to ensure that adults, who may be at risk of harm, are supported to feel safe, respected, included, and are fully involved in all decision making.

Annual Activity

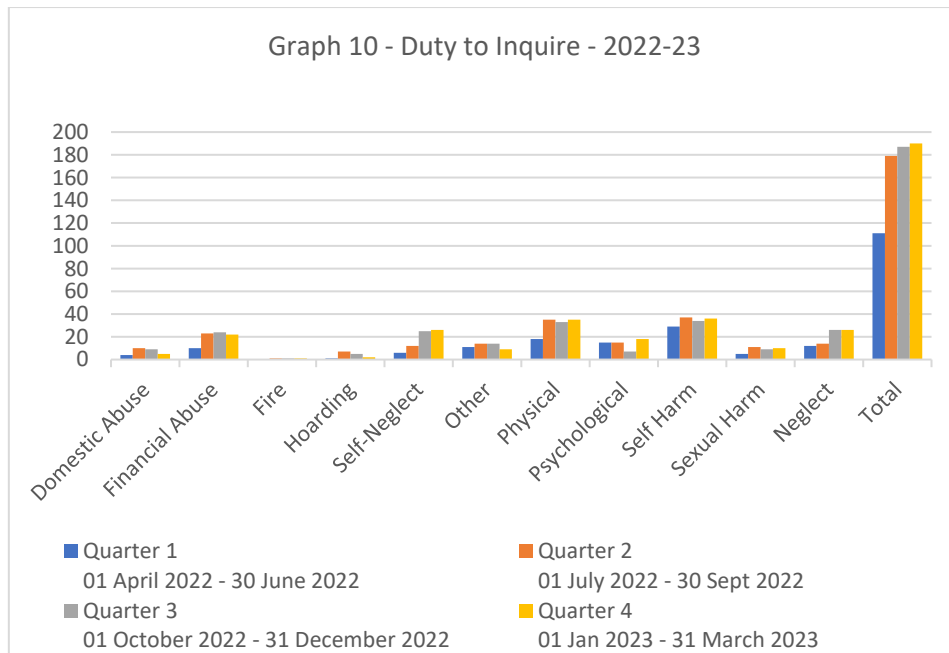
Graph 8 below shows that all Adult Support and Protection (ASP) activity had increased significantly during 2022-23 from the previous year. This may in part be due to an increased vulnerability due to service reductions during the pandemic and a wider lens for ASP concerns due to an increased focus on the impact of trauma.



Duty to Inquire (DTI)

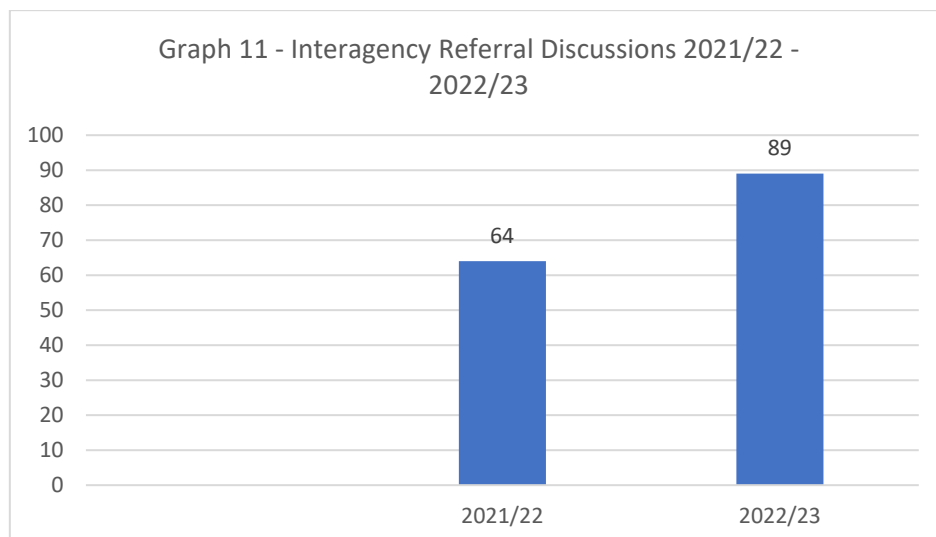


In the period 2021/22 a total of 420 Duty to Inquires (DTIs) were completed by Council Officers. This figure rose to 667 in the period 2022-23, an increase of 51% - this is shown in graph 9 above.



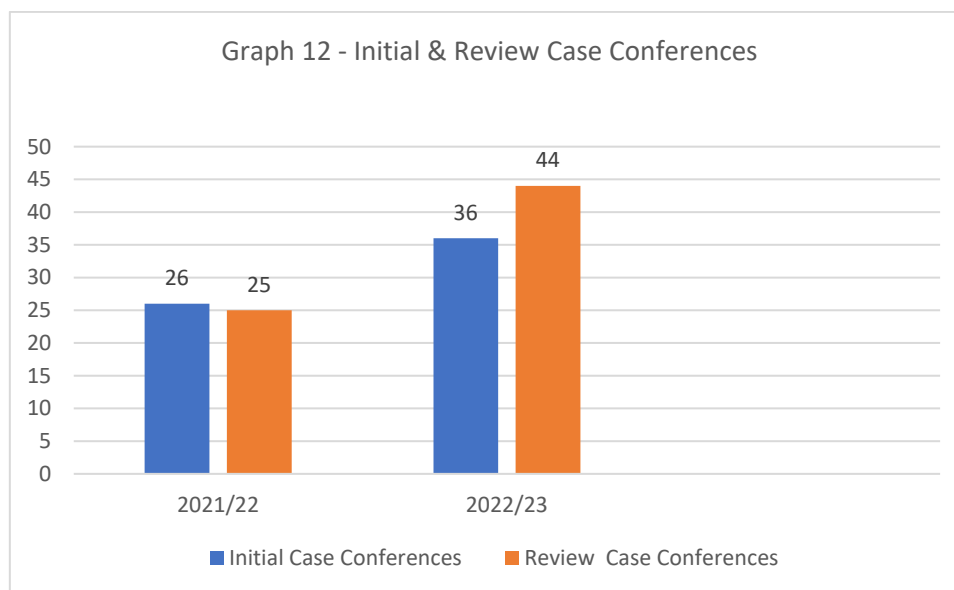
The above graph shows the breakdown of DTIs completed in each quarter by type of harm. The highest number of DTIs completed was 145 in quarter four. Quarter three saw the second highest number of DTIs with 124, quarter two had 92 with 81 being completed in quarter one.

Interagency Referral Discussions (IRDs)



Graph 11 above shows that 64 IRDs were undertaken with partners in 2021/22, whilst 89 were undertaken in 2022-23. This represents an increase of 39% from the previous year.

Initial and Review Adult Support and Protection Case Conferences



There has also been an annual increase of Adult Support and Protection Case Conferences, Initial Case Conferences have increased by 38% whilst Review Case Conferences have increased by 76%.

Enhanced Adult Support and Protection Governance and Quality Assurance

During the period 2022-23, a strengthened approach to ASP Governance and Quality Assurance was developed. This applies to all social work services across the HSCP that undertake ASP duties under the 2007 Act.

Having a scheduled quality assurance system and case file audit process in place enables us to critically reflect on both social work practice and case recording. The requirement to analyse, review and learn from our current practice is a shared responsibility across all social work staff and management. Carrying out regular audit of social work case files is one way of embedding a culture of continuous learning. Central to our learning is the focus on how individuals and their families are being supported in the right way at the right time. Through audit we focus on both the quality of practice recording and any evidence and feedback around what difference our intervention has made. This system has been designed to identify both strengths and areas that require improvement.

Quality Assurance and Governance activity throughout the year included:

- Management monthly audit of ASP activity within a specified area carried out by Adult Wellbeing Service Manager and ASP (Social Work) operational lead.
- Monthly peer audit of the ASP journey relating to one case carried out by Social Work Senior Practitioner and Council Officer.
- Monitoring the ASP Inquiry (DTI Tracker for the period) tracker timescales on a daily basis and feeding back any issues regarding barriers to timely completion. This is undertaken by the Adult Wellbeing Service Manager and ASP (Social Work) Operational Lead.
- 'Dip-Audits' of ASP activity carried out by Adult Wellbeing Service Manager and ASP (Social Work) Operational Lead.

Audit activity is recorded on the Adult Support & Protection Audit – SMART Escalation system and is fed back to the specific service areas for action. This is done directly for any immediate action or via the ASP Operational Quarterly Oversight Group for wider operational improvements.

ASP Operational Developments

The period has seen significant operational developments to enhance the Council Officer and Adult Support and Protection Case Conference Chair functions to improve protection planning and to achieve safer outcomes for adults at risk of harm.

The Duty to Inquire and ASP Investigation forms had been developed to aid a more detailed analysis of risk. The TILS (Type, Imminence, Likelihood and Severity) framework of risk assessment was embedded into the assessment tools and ASP Case Conference minute document. A SMART (Specific, Measurable, Achievable, Realistic and Timebound) Action and Protection Plan was introduced into the documents that is specifically correlated to the TILS risk assessment framework. This contributed to a strengthened assessment of risk and contributed to improved safety outcomes for adults.

Work had begun in 2022 to introduce the mandatory compiling of chronologies at the

Duty to Inquire stage. This ensured that any chronology entries made were collated and captured in the one area which can be expanded on at every stage of the adult's ASP journey. An 'analysis of the chronology' was also introduced into the assessment tools which augmented the TILS risk assessment. All ASP documentation now asks for the adult's view at every stage of the ASP Intervention.

Joint Inspection of Adult Support and Protection

An inspection of Adult Support and Protection arrangements in East Lothian took place from February to June 2023. The inspection was carried out jointly by the Care Inspectorate, Healthcare Improvement Scotland and His Majesty's Inspectorate of Constabulary in Scotland (HMICS). It looked at the effectiveness of Adult Support and Protection activity and arrangements across the multi-agency partners in East Lothian.

The inspection report was published in June 2023 and described a positive picture in East Lothian, highlighting 'clear strengths' in relation to arrangements to ensure that adults at risk of harm are safe, protected and supported. Inspectors described the approach in East Lothian as 'robust' and noted that it was 'evident the partnership was on a positive improvement journey' with significant progress having been made to date. The findings in relation to strengths and areas for improvement reflected the partner's own assessment and self-evaluation activity that had taken place in preparation for the inspection.

Strengths identified in the inspection report included:

- The partnership's approach to adult support and protection inquiries was robust.
- Person-centred engagement and consultation with the adult at risk of harm was evident throughout.
- Effective social work management, support and supervision was consistently recorded.
- Almost all adults at risk of harm who required a risk assessment had one completed. The quality of risk assessment had improved significantly.
- The partnership's large scale investigative process was established and

included a useful reflective element that supported improvement actions.

- The partnership’s vision was well understood.
- The public protection committee and critical services oversight group were well established.
- The partnership responded appropriately to the demands of the pandemic.

The Joint inspection also highlighted priority areas for improvement which included:

- Adult support and protection improvements were positively impacting on key areas of practice. Importantly, procedural updates had not kept pace.
- Findings from adult support and protection audits and improvement actions about risk management and chronologies should be fully implemented.
- A multi-agency approach to audit would strengthen joint improvement work.
- Relevant professionals should engage more collaboratively with critical processes. This includes attendance from police and health at case conferences and the consideration of second workers from all agencies.
- Strategic planning and improvement work should include feedback from, and engagement with adults at risk of harm with lived experience.
- Interventions with alleged perpetrators and financial harm needed significant improvement to ensure appropriate action is taken on a multi-agency basis.

Mental Health Officer Team

During 2022-23, levels of activity can be seen to have increased across all areas of Mental Health Officer (MHO) Team activity shown in the table below.

	2019/20	2020/21	2021/22	2022/23	Change
Local Authority Welfare Guardianship	7	12	17	34	+17
Private Guardianship	12	18	47	63	+16
Emergency Detention	37	39	37	76	+39

Short Term Detention	81	92	89	109	+20
Supervised Private Guardianships	139-166	139-161	148-172	159 (at 31/03)	N/A
Supervised Local Authority Guardianships				55 (16 in MHO Team) – 31/03	N/A
Compulsory Treatment Order (Community – 31/03)				25	N/A
Compulsory Treatment Order (Hospital – 31/03)				18	N/A

In February 2023, the MHO Team reduced their Private Guardianship Application waiting list to zero for this first time in over ten years - previously, a waiting time of 18 months was not uncommon as shown in the table below. A commitment has been made to allocating this work within six weeks of an application being submitted to the MHO team, so no resident is left without a designated MHO with whom they can liaise with as part of the process.

	Number of people waiting assessment for Adult Guardianship Orders	% waiting 18 months or more
May 2021	34	41%
March 2023	0	n/a

In relation to hospital delayed discharges, an MHO team representative attends a weekly meeting to discuss any delays due to MHO statutory tasks so that colleagues are aware of expected timescales and any difficulties faced.

The following service development activity took place within the mental health team during 2022-23:

- Work took place to look at the 'service user journey', with a focus on the front door / referral process; understanding of waiting lists; and gathering service user feedback. This included a review of Adult with Incapacity (AWI) processes as the first phase of an AWI project. A review of mental health business support also took place to develop resilience and support business continuity. Activity also began to look at MHO referral, allocations, and screening processes.
- Following a review of the oversight and management of Guardianship Orders, the majority of local authority Guardianship Orders were transferred from MHOs to social work colleagues within the Learning Disability and CHART teams. A programme of training was delivered by an AWI project worker to support this transfer and processes involving the Chief Social Work Officer were also drawn up.
- The team carried out a number of engagement activities to help inform the approach taken to supervision of private guardians.
- The management team developed a new suite of data focusing on work undertaken to identify trends and inform improvement planning. This resulted in improvements to the collation of key information relating to Mental Health Act (MHA) and AWI work. Justice Social Work

East Lothian Justice Social Work Service's vision is to 'reduce the risk of harm caused by crime within our community' by contributing to the following outcomes:

- Promoting greater equality of opportunity, enabling our service users to lead more fulfilling lives.
- Making our communities safer places to be by addressing offending behaviour.
- Our interventions are proportionate and based on individual risk, need and responsivity.
- We reduce reoffending through fostering a sense of belonging and involvement in our community.

2022-23 saw a steady return to activity levels similar to those prior to March 2020, but with activity level in some areas of work higher as a result of continued backlogs caused by the pandemic. It is anticipated that the pandemic related backlog may continue to impact on workload in the medium term, before beginning to around 2026-2027.

The tables included below give an overview of service activity for 2022-23, notable increases in activity include:

- A 28% increase in Community Payback Orders (CPOs) issued (163 issued compared to 126 the previous year).
- A 41% increase in the number of months imposed for CPOs (an additional 605 months).
- A 21% increase in the number of unpaid work hours imposed.
- A 30% increase in the number of Caledonian Orders (from 23 orders to 30).
- A 42% increase in Community Justice Social Work Reports (CJSWRs) submitted (an additional 71 reports).
- The introduction of EM / Supervised Bail and Structured Deferred Sentences (see below).

More detailed performance information is reported in the annual Community Payback Order Report (submitted annually in October) and in the service's own [Annual Report](#) which is published each autumn and includes a comprehensive Improvement Plan for the following year.

Service	2019/20	2020/21	2021/22	2022/23	Change
Community Payback Order (supervision)	82	78	95	102	+7
Statutory Throughcare (community)	18	19	20	17	+3

Statutory Throughcare (custody)	46	39	35	44	+9
Voluntary Throughcare (custody, eligible)	14	16	12	24	+12
Voluntary Throughcare (community, receiving/offered)	10	8	34	18	-16
Registered Sex Offenders (in the community)	14	11	19	32	+13
Multi Agency Public Protection Arrangements (MAPPA) Category 3 (violent offences)	2	2	0	0	N/A
Caledonian Orders (domestic abuse)	9	16	23	30	+7

	2019/20	2020/21	2021/22	2022/23	Change
CPOs - imposed – all requirements	141	92	126	163	+37
CPOs – total number of months for supervision	1,287	1,142	1466	2,071	+605
CPOs – number of unpaid work hours imposed	13,123	7,226	11,371	13,710	+2339
CJSWRs – number of reports submitted	218	128	170	241	+71
Drug Treatment and Testing Orders – number of Orders imposed	15	2	7	5	-2

Diversion – completed reports	35	43	34	43	+9
EM / Supervised Bail	-	-	-	8	N/A
Structured Deferred Sentences	-	-	-	1	N/A

Throughout 2022-23 there has been a natural progression within the service of delivery within five distinct themes – early intervention and prevention; community sentencing; unpaid work / other activity; the custodial setting; and post-release engagement. This has allowed the operational management team to take responsibility for specific areas of need and development, giving practitioners single points of contact for ease of access and support.

The ongoing development of the involvement of social work assistants within the service continues to make an invaluable contribution to meeting service user needs, as well as creating an environment where those subject to unpaid work have improved access to other activities.

Other key service developments during 2022-23 include:

- Identification of a dedicated member of staff to support uptake of the Caledonian System⁵ and adjustment of the screening process to encourage greater use (this approach has been adopted by neighbouring local authorities as best practice). Our success was reflected in the service being a finalist in the Scottish Social Services Awards. Overall, there has been a threefold increase in the number of Caledonian Orders since 2019-2020 and a 30% increase in 2022-23 alone.
- Building on the approach to early intervention and prevention through the development of Structured Deferred Sentences., with roll out beginning in March 2023. Structured Deferred Sentences are a way to provide social work support to

⁵ The Caledonian System is national programme described as 'an integrated approach to addressing domestic abuse. It combines a court-ordered programme for men, aimed at changing their behaviour, with support services for women and children' – more information is available [here](#).

individuals who may need a short-term intervention to address needs but who do not require the level of supervision of a Community Payback Order⁶. Where successful, Structured Deferred Sentences helps to reduce the frequency and seriousness of offending behaviour and lessen the need for intensive supervision in the community.

- The Community Payback Work Team developed new options for unpaid work for service users during 2022-23. This included securing authorisation to set up a ‘classroom’ to enable the delivery of an extended range of options, including group work, learning opportunities and modules delivered by partner organisations (e.g., the Scottish Fire and Rescue Service).
- Involvement in work at a national level to pilot a new Justice Social Work Report (JSWR) template. The new template gives the service an opportunity to provide the Court with more information about an individual prior to them being sentenced.

Resources (Children’s Services)

The CSWO annual report 2021-22 provided the context and drivers for the budget pressures that emerged in 2018-19 from the use of external residential placements, secure care, and external fostering resources. A wide range of strategic developments and operational improvements have been underway over the full time period, and the impact of these has been subject to close scrutiny. Recognition of the need to reduce demand for targeted social work interventions through preventive actions and effective early intervention in universal and community services underpins the council’s Transformation of Services to Children improvement programme.

2022/23	Budget	Actual	Variance
Children's Services	£ 000's	£ 000's	£ 000's
Total	18,660	19,368	708

⁶ [Structured Deferred Sentence - Community Justice Scotland](#)

The most significant pressures relate to our use of external residential care, secure placements, and external fostering. However, there are signs that targeted interventions are working and this has resulted in a positive impact on controlling demand for external placements supported the young with packages at a lower cost.

	21-22			22/23		
	budget £	actual £	overspend £	budget £	actual £	overspend £
Residential	3,137,070	3,947,941	810,871	3,093	4,448,000	1,355,000
Foster	535,000	783,638	248,638	528,000	862,393	334,000
Secure	300,000	448,494	148,494	296,000	279,000	-17,000
Total	3,972,070	5,180,073	1,208,003	3,917,000	5,589,000	1,689,000

The budget pressures in children’s services mostly related to the overspend in the external resource area, particularly residential and fostering, which incurred an overspend of £1,689,000 combined. This overspend was offset by increased income from the National Transfer Scheme, savings through increased number of staff vacancies, as well as low expenditure on internal fostering fees which reflects the reduction in available carers.

The overspend in external budgets is driven by a variety of factors including:

- Increase to costs for existing, long-term packages of care.
- The need to create one specific complex, individual care package which resulted in increased agency expenditure.
- Additional support needs and associated costs for some young people.
- Capacity in both foster carers and internal care homes meant that some children and young people had to move to an external resource.

Transforming Children’s Services

As detailed earlier in the report, the redesign of children’s services is aimed at improving the outcomes and experiences of those children at risk of harm and enabling more children to live safely within their own family networks. We are committed to

changing legacy practice and keeping in line with The Promise:

- In 2022, the Scottish Government launched its commitment to Whole Family Support through the Whole Family Wellbeing Fund which was aligned with our aspirations to transform our family support resources to ensure East Lothian families can access the right resources at the earliest opportunity, in their own localities. The Children's Strategic Partnership (CSP) submitted a bid for Element 2 improvement support from Scottish Government and the Centre for Excellence for Looked After Children in Scotland (CELCIS) and was chosen as one of only three areas to receive the support.
- Integrated approaches to tier 2 mental health supports and services are demonstrating a reduction in demand for the Child and Adolescent Mental Health Service (CAMHS) and reduced delays for children experiencing distress. This should help children remain included and engaged in education and reduce the risk of requiring targeted services.
- Provision of flexible outreach with the aim of reducing the number of children and young people requiring care out with their families.
- Working with the Capital City Partnership, we tested a Whole Family Support approach in Musselburgh East with the 'Our Families' initiative.
- Strengthening our approach to joint commissioning, the CSP established a commissioning sub-group in 2022. This is strengthening our approach to collaborative decision making about how we direct our resources. In the first phase of the work, the group focused on non-recurring funding streams and the development of a new Commissioning Process Model to minimise the risk of duplicating spending of non-recurring funds across a range of services and recognising opportunities for collaborative working.

Future risks

Children's services continue to face significant financial challenges which contributes to the magnitude of the financial pressures being faced by the council as a whole. The pace of progress is being impacted by the continuous rise in new referrals for children and young people within families who are struggling to cope in the post pandemic world.

Our financial pressures will continue into 2023-2024 and will primarily be driven by:

- High-cost external placements for children whose needs we cannot meet within East Lothian resources.
- The national and local fostering crisis.
- Difficulty in recruiting a sufficient workforce to meet demand.
- The impact of the National Transfer Scheme for unaccompanied asylum seeking children.

Financial Resources (Adults)

Adult Services 2022/23	Budget	Expenditure	Surplus/(deficit)
	£'000s	£'000s	£'000s
Total	67,860	67,578	282

The £282,000 surplus was transferred as follows:

£220,000 to General Reserve and a total of £62,000 to earmarked reserves which was all attributable to carers.

Pressures and Demands

Pressures in commissioned costs continue throughout the Service. In addition:

- COVID-19 costs totaled £1,135,000 and comprised of sustainability payments of £731,000;
- £304,000 loss of income in resource centres;
- £75,000 loss of respite income in ELC care homes; and
- £25,000 additional costs for PPE equipment.

2022-23 sees an additional £7.8 million added to HSCP budget which takes the services budget to £66,294,000. This is an increase of 13% on 2021-22. New Monies are mainly targeted at Living Wage, Carers Act and Care at Home Capacity

Future Issues

The Scottish Government sustainability payment scheme ended on the 31 March 2023. However, there are ongoing financial risks for some residential providers which would create additional budget pressures if these businesses failed.

Care at home costs are expected to increase due to demand from new service users and increased need in current service users' demand as well as an increase in costs. The Scottish Government has committed to funding the Living Wage to £10.90 per hour in 2022-23, with an expectation that this will increase to £12 per hour.

Challenges remain in a lack of care at home providers and staff retention in meeting demands for this service leading to clients seeking alternative care options such as direct payments and residential care.

As the services seek to increase internal capacity in care at home, the risk of further recruitment challenges and impact on private providers will need to be monitored closely.

East Lothian Council's day care services offer needs to be reviewed to consider the best method of service delivery and sustainability.

There will be significant financial challenges for the Integrated Joint Board and this will have a substantial impact on service prioritisation going forward.

Workforce (Children's Services)

A key priority for the children's services plan is to ensure we have a sufficient, confident, skilled, and supported workforce. In 2022, findings from a staff survey highlighted that our workforce were beginning to recover from the impact of covid and they enjoy the work that they do. Our workforce told us they value their colleagues, and many are using helpful strategies to maintain resilience and promote wellbeing.

The re-design of children's services has seen the movement of staff into evolving positions and development roles, leaving a number of vacancies within the frontline

teams. In order to promote a sustainable workforce, East Lothian Council embraces a grow your own approach. This is a workforce model that focuses on attracting, developing, supporting, and retaining employees.

The service has made a strong commitment to engaging with the frontline staff around their wellbeing and supporting long term solutions to maintain a strong and passionate and trauma informed workforce. The following examples of investment in our workforce demonstrates our commitment to keeping the Promise:

- Children's services sponsored two family support workers to complete their Social Work Qualification through the Open University in 2022. After graduating, one has successfully taken up a role within Justice Social Work and the other has returned to the Children's Disability Team. Two further candidates have been sponsored and started in January 2023. We look forward to welcoming them back as Newly Qualified Social Workers (NQSW) in 2024.
- The Service Review and Development Team is working alongside the senior managers to consider how we implement the NQSW Supported Year ahead of September 2024 to ensure new social workers are nurtured and continue to learn.
- One candidate was sponsored to attend the Child Welfare and Protection course in September 2022.
- West Learning Network offered the Link Worker course for free throughout 2022-23. This was proactively advertised through our weekly briefings and a number of staff raised interest. During 2022, nine employees undertook the link worker course increasing our numbers from two to eleven within East Lothian's children's services. This has increased our capacity to take students and has opened up opportunities in teams who historically have not taken students. Two of these link workers are now undertaking the course to become Practice Educators.
- Two practitioners completed the Practice Educator Course in January 2023. This has increased our active Practice Educators to 13 out of 16 within children's services (2 people are on internal secondments to specialist roles).
- Between Napier, Stirling, Edinburgh, and Open University, seven students have

completed their placements within East Lothian children's services in 2022. We rely heavily on this financial income to increase training opportunities and hope to continue to build on our capacity to offer placements.

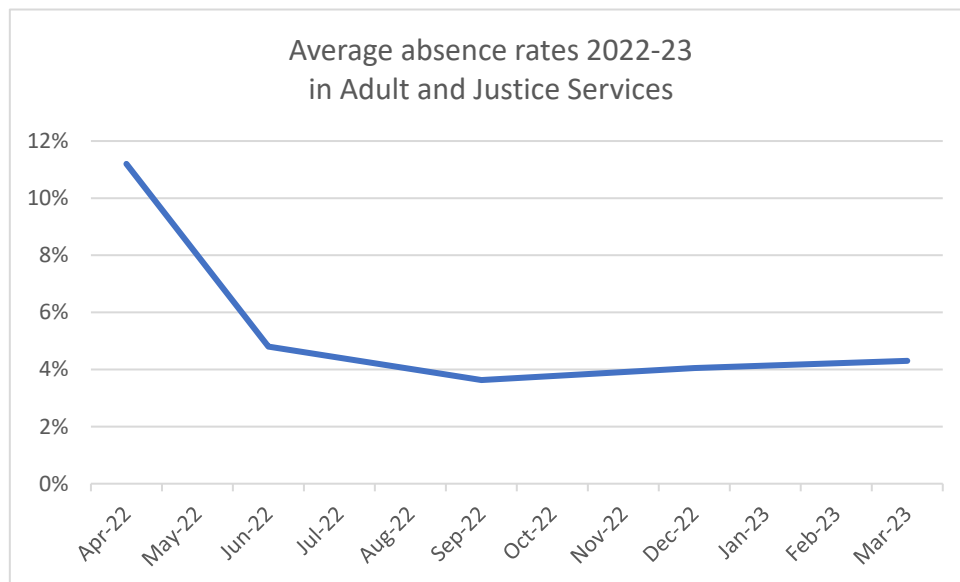
- In 2022, we joined up with Midlothian and Scottish Borders to offer a joint online student group every two months. On average six students attended the joint online group.
- East Lothian council, Midlothian and Scottish Borders Council jointly facilitate the Practice Educator and Link worker Forum three times per year. This allows those supporting students to come together for advice, share tools and activities and talk about good practice.
- We embarked on the second phase of our Signs of Safety journey in 2022. 132 staff have completed the Signs of Safety training. Health have supported one manager to attend to aid with partnership working.
- Children's Services offers monthly online protected learnings where we invite specific people or agencies to deliver a two-hour session on a variety of topics. These topics included research about working with asylum seekers, harmful sexual behaviour, a session from a Children's Reporter, among others. On average 20 people attended each session throughout 2022-23. While some sessions were more successful than others, employees were able to choose what interested them and we had representation from across the service.
- Along with Midlothian Council, we collated and delivered three Safe and Together Practitioner Forums during 2022. On average 20-25 people attended the sessions, and the feedback was positive. Dates have been agreed and added to the training calendar for 2023.
- Children's services invested in and supported employee wellbeing through team development days. We also regularly encourage staff to access information and services available through the Employee Assistance programme.

Workforce (Adult Services)

Adult Social Work Staffing Levels

Vacancies across Adult Social Work reduced further during 2022-23, with a vacancy rate of 4% at the end of the financial year (March 2023) – this was equivalent to four vacant full-time posts in the following categories:

- 1 Community Care Worker (Social Work Assistant equivalent)
- 3 Social Workers
- 1 Senior Practitioner
- No vacancies within Justice Services



The HSCP Strategic Workforce Plan covers all services across the Partnership. In addition, each individual service area, including Adult Social Work has its own Workforce Plan aligned to the overarching HSCP plan.

Activity in relation to workforce development during 2022-23 included:

- Funding to sponsor a Community Care Worker to undertake a social work qualification through the Open University has continued. There has been a good level of interest in this, with one successful candidate beginning a sponsored qualification each year.
- Adults Services continued to accept student placements from universities, however there was only one active practice educator within adult social work

which limited capacity. Offering placements helps to enhance prospective future social workers' knowledge of East Lothian, potentially leading them to apply for future vacancies.

- Interest in undertaking the post-graduate course in Practice Learning remained low even with a commitment to sponsor multiple qualifications in any given year. This can perhaps be seen to reflect the reluctance of people to commit to study alongside current caseload pressures. In three years, there has been just one eligible candidate for this qualification.
- Joint work with children's services included regular development sessions with students, practice educators and link workers along with Midlothian and Scottish Borders Social Work teams, providing a support network for both the students and practice educators / link workers.
- Staff retention remained stable, and turnover was low in all areas. However, there is a recognised need to strengthen retention by continuing to improve career pathways. Once the management team has stabilised, further agreements will be made on how to achieve this.
- Work also began during 2022-23 to establish a new HSCP induction course. This will offer induction to staff who have started with the partnership either during or since the COVID-19 pandemic.
- An East Lothian HSCP 'Development and Wellbeing' Newsletter was launched in 2022-23 and is produced every two months. This includes information about development opportunities and wellbeing initiatives that are available to staff.
- All Adult and Justice Social Work staff were enrolled on online Adult With Incapacity (AWI) training to be completed at their own pace, but closely monitored by managers.
- A Training Needs Analysis was completed during 2022-23. This identified the need for structured supervisory and management training for senior practitioners and managers within East Lothian. Several qualifications from the Open University and Stirling University were also identified as having the potential to address training and skills gaps and will be rolled out across adult and justice social work when budgets allow.

Summary of key challenges

This report provides an overview of the breadth and depth of the professional social work functions and services in East Lothian, and the commitment of our workforce to improve the lives of people who use our services. Each of our workers has felt and observed the significant and often devastating impact of the pandemic on the lives of the most vulnerable people in our communities. I am grateful for their dedication, and I am proud of the impact we continue to make for the people who use our services.

No report can convey the energy, skill and passion that working in social work requires. It is a profession where the work never stops and as is evident throughout the report, the demand for social work continues to increase in East Lothian. Maintaining a well-supported and sufficient workforce is a key priority and the gaps in children's service staffing has been particularly challenging during this period.

In addition to this, the national context for social work and social care has never felt so uncertain. There has been significant policy and legislative complexities and much confusion about the development of a National Care Service.

The demands to engage with national consultations relating to hugely significant pieces of reform of systems and processes continues to have an impact to the delivery of critical services. There is simply not enough capacity within social work leadership teams to meet national demands for reform, while simultaneously delivering and improving local services.

A range of challenges have been detailed throughout the report that demonstrate the differing risks faced across the various professional and specialist areas. In summary, the most significant challenges are:

- Serious long term recruitment challenges for care at home services leading to a significant reduction in care hours being delivered in the

community.

- Insufficient resources to meet the needs of the most complex and distressed children and adults.
- Extreme financial pressure due to a rising population and complexity of need alongside demand-led services that are undeliverable within available resources.

Looking Ahead

2023 – 2024 will be another period of significant change in East Lothian. There has been a number of changes within the senior leadership team across children's services and the HSCP. We are working hard to quickly build effective working relationships and recognise the importance of collaboration to ensure we can deliver services as efficiently as possible, whilst constantly striving for the best outcomes.

We are all acutely aware that services will need to be delivered in different, innovative ways and we will continue to creatively review how we can achieve high quality statutory services with reduced budgets where safe and possible.

Social work services will remain committed to continuous learning and development, and we will partake in a range of informal and formal learning opportunities. Our workforce is our most valuable asset, and we will continue to create a reflective and supportive environment where staff wellbeing is prioritised by the leadership teams.

Our joint vision remains to support people across all services to receive the support they require at the right time, within their homes and families whenever this is safe and possible.

In children's services we will:

- Review our approach to attracting and retaining skilled people who wish to foster for East Lothian Council.
- Strengthen our support offer for kinship carers, acknowledging that this is the best option for children who cannot safely stay with their parent(s).

- Review and increase the capacity in our local residential childcare provision to meet the current level of demand in East Lothian.
- Introduce additional outreach services to support families at risk of breakdown and to prevent children and young people from becoming accommodated.
- Strengthen community based, universal supports to provide proactive support to families before their problems escalate.

In adult services we will:

- Continue our focus on improving early intervention and preventative approaches at our first point of contact with people.
- Further develop our focus on personal outcomes following the 'reimagining social work' sessions completed with The Institute for Research and Innovation in Social Services (IRISS).
- Increase our use of community and universal supports to reduce the number of people who need to receive statutory social work services.
- Strengthen social work governance through the new professional lead duties attached to the general manager post.
- Embed Keeping People Safe as a new strategic priority for the IJB to allow for greater strategic oversight and scrutiny around Justice Social Work and Adult Support and Protection.

As the population continues to grow in East Lothian, and people are requiring support for increasingly complex needs, it is critical that we attract and retain a skilled workforce to deliver high quality and safe social work services across all areas. This report has outlined how we invest in staff development and wellbeing. We recognise that this is a critical component in creating high quality services and that this leads to a better experience for the people who use social work services.

The National Care Service and National Social Work Agency proposals continue to create a backdrop of uncertainty for the future of the profession. It is hoped that 2023-

2024 will bring clarification and an achievable national plan to allow leaders to support the workforce through another period of change and pressure.

Despite exceptionally challenging conditions, social work and social care services, together with partner agencies and unpaid carers remain committed to providing high quality care that supports and protects the most vulnerable people in our communities. This will continue to be our absolute priority, regardless of the continued pressures that come our way.



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East Lothian Council
John Muir House
Brewery Park
Haddington
East Lothian
EH41 3HA

REPORT TO: East Lothian Council

MEETING DATE: 12 December 2023

BY: Executive Director for Council Resources

SUBJECT: Voting Rights of External Representatives on the
Education and Children's Services Committee

6

1 PURPOSE

- 1.1 To determine the future voting rights of the external representatives (3 x religious representatives, 1 x trade union representative) on the Council's Education and Children's Services Committee, following a consultation on this matter.

2 RECOMMENDATIONS

Council is asked:

- 2.1 To determine if the voting rights of the religious representatives on the Education and Children's Services Committee should be retained or removed and, if removed, to agree the consequential amendment to the Scheme of the Administration; and
- 2.2 To determine if the voting rights of the trade union representative on the Education and Children's Services Committee should be retained or removed and, if removed, to agree the consequential amendment to the Scheme of the Administration

3 BACKGROUND

- 3.1 The Local Government (Scotland) Act 1973 (Part VIII, Section 124) states the following:
- 'an education authority who appoint[s] [an education] committee shall secure that the persons appointed by them to be members of such committee shall include ... one representative of the Church of Scotland ... one representative of the Roman Catholic Church ... [and] one person in the selection of whom the authority shall have regard ... to the comparative strength within their area of all the

churches and denominational bodies having duly constituted charges or other regularly appointed places of worship there’

- ‘an education authority may appoint persons who are not members of the authority to be members of a committee’.

- 3.2 At present, there are three religious representatives (representing the Church of Scotland, the Roman Catholic Church and the Scottish Episcopal Church) and one trade union representative (representing the EIS) who have full membership rights, including voting rights, on the Council’s Education and Children’s Services Committee.
- 3.3 In 2019, Perth and Kinross Council became the first Scottish local authority to withdraw the voting rights of their religious representatives on their Lifelong Learning Committee. This decision was made by way of a motion to the council in response to a statement made by the Scottish Government to the effect that the voting rights of religious representatives on education committees were a matter for each local authority to determine.
- 3.4 Since the decision by Perth and Kinross Council, a number of other Scottish local authorities, including the City of Edinburgh, Fife, Moray, Orkney Islands and Scottish Borders, have approved the withdrawal of voting rights of non-elected representatives on their education committees.
- 3.5 As part of the review of Standing Orders carried out in 2022/23 (reported to Council in April and June 2023), officers were asked to conduct a consultation on the future voting rights of external representatives on the Education and Children’s Services Committee.
- 3.6 The consultation ran for three weeks in October/November 2023, with 112 responses being received. Appendix 1 provides a summary of those responses, with a more detailed record of responses being available in the Members’ Library (Ref:118/23, December 2023 Bulletin). In addition to those consultation responses, three letters have been submitted to Elected Members or officers objecting to any proposal to remove the voting rights of religious representatives, and in particular the representative of the Roman Catholic Church, on the grounds that this would alter long-standing legal and partnership arrangements between the state and the Catholic Church. This correspondence is included within the Members’ Library submission.
- 3.7 Members will note that the responses to the online consultation showed support for the withdrawal of voting rights from the religious representatives (84% of those responding) and for the withdrawal of voting rights from the trade union representative (56% of those responding).
- 3.8 Taking into consideration the actions taken by other Scottish local authorities and the responses to the consultation on this matter, the Council is now being asked to determine whether or not the voting rights of the external representatives on the Education and Children’s Services Committee should be retained. It should be noted that if the Council agrees to withdraw these voting rights, the external representatives will

continue to be members of the Committee, and will be redesignated as non-voting members.

- 3.9 Any decision to remove the voting rights of external representatives on the Education and Children’s Services Committee will require a change to Standing Orders. As this would be a change to the Scheme of Administration, a simple majority of votes is required to give effect to this change.

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
7.2 Report to East Lothian Council, 27 June 2023, ‘Review of Standing Orders: Scheme of Administration ([Agendas, reports and minutes | East Lothian Council](#))
7.3 Responses to the consultation, Members’ Library Ref: 118/23, Dec23 Bulletin:
https://www.eastlothian.gov.uk/meetings/meeting/17176/members_library_service

AUTHOR’S NAME	Lel Gillingwater
DESIGNATION	Team Manager – Democratic Services & Licensing
CONTACT INFO	lgillingwater@eastlothian.gov.uk x7292
DATE	21 November 2023

Voting Rights of Unelected Representatives on the Education and Children's Services Committee: Summary report

This report was created on Friday 17 November 2023 at 12:19 and includes 112 responses.

The activity ran from 23/10/2023 to 10/11/2023.

Contents

Question 1: What is your name?	1
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Question 2: What is your email address?	1
Email	1
Question 3: What is your interest in this survey? (parent/guardian, teacher etc.)	1
Answer	1
Question 4: Do you believe unelected Trade Union representatives should retain their voting rights on the Education and Children's Services Committee?	1
tick box	1
Question 5: Do you believe unelected religious representatives should retain their voting rights on the Education and Children's Services Committee?	2
tick box	2
Question 6: If you have any comments or concerns you wish to express please provide details.	2
free text	2

Question 1: What is your name?

Name

There were 104 responses to this part of the question.

Question 2: What is your email address?

Email

There were 102 responses to this part of the question.

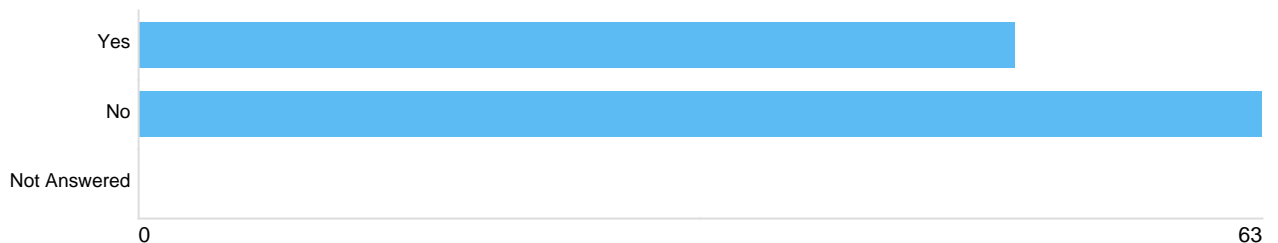
Question 3: What is your interest in this survey? (parent/guardian, teacher etc.)

Answer

There were 108 responses to this part of the question.

Question 4: Do you believe unelected Trade Union representatives should retain their voting rights on the Education and Children's Services Committee?

tick box



Option	Total	Percent
Yes	49	43.75%
No	63	56.25%
Not Answered	0	0.00%

Question 5: Do you believe unelected religious representatives should retain their voting rights on the Education and Children's Services Committee?

tick box



Option	Total	Percent
Yes	18	16.07%
No	94	83.93%
Not Answered	0	0.00%

Question 6: If you have any comments or concerns you wish to express please provide details.

free text

There were **73** responses to this part of the question.

REPORT TO: East Lothian Council

MEETING DATE: 12 December 2023

BY: Executive Director for Council Resources

SUBJECT: Response to Boundary Commission Review

7

1 PURPOSE

- 1.1 To seek ratification of an alternative proposal for constituency alignment, submitted to the local inquiry held by the Boundary Commission for Scotland.

2 RECOMMENDATIONS

- 2.1 To note the Boundary Commission for Scotland consultation on the proposed new Scottish Parliamentary Constituencies is ongoing and that a local inquiry session was held in Musselburgh on 7 December 2023.
- 2.2 To ratify the alternative proposal for constituency alignment that was submitted to that local inquiry as detailed in paragraph 3.3 of this report, noting that this could not be approved in advance as a consequence of the timing of the local inquiry.

3 BACKGROUND

- 3.1 The Boundary Commission for Scotland (known as Boundaries Scotland) commenced its second review of Scottish Parliamentary constituencies in September 2022. On 17 May 2023, it published its initial proposals, and on 27 June 2023 the Council agreed to submit an objection to the proposals. At that time, it was acknowledged that an alternative proposal could not be submitted as it would be necessary to liaise with neighbouring local authorities to consider the impact of any alternative on those areas. The Council asked for an opportunity to be heard at a session of the local inquiries and to expand upon an alternative proposal at that time.

- 3.2 Work was undertaken by the Council Leader, in conjunction with political colleagues in other areas, to consider an alternative proposal. However, this had not yet been brought to Council for approval. On 15 November 2023, Boundaries Scotland advised the dates of the local inquiries, in particular that the proposals affecting East Lothian and the Midlothian North and Musselburgh constituencies would be considered at a session on 7 December 2023.
- 3.3 As there was no opportunity to have an alternative proposal formally considered by Council in advance of that date, officers circulated the proposal to all Councillors informally for their views. As there was majority support for the alternative proposal, the Council Leader presented this to the local inquiry session on 7 December 2023, on the basis that it would be formally ratified at this meeting. The alternative proposal is as follows:
- Prestonpans would be retained within the East Lothian constituency.
 - Midlothian North and Musselburgh would include the areas of Musselburgh that Boundaries Scotland was proposing to move into Midlothian South
 - This would keep the electorate of Midlothian North and Musselburgh more or less as it is currently, around 59,000.
 - It would give an electorate of around 67,500 for the remaining East Lothian constituency, which is at the upper end of the scale of electorate numbers but is not the largest of the proposed new constituencies.
 - This would leave the proposed Midlothian South constituency short of electorate numbers but there are other representations being considered at the local inquiry on the Clyde Valley & Tweeddale constituency which will be considering this area in more detail, and this could be addressed in a number of different ways.
- 3.4 Following consideration of all evidence submitted during the local inquiry sessions, any revised proposals from Boundaries Scotland will be offered for further public consultation with final recommendations submitted to Scottish Ministers by 1 May 2025. If subsequently approved by the Scottish Parliament, the new boundaries will be effective at the next Scottish Parliament election, expected in May 2026.

4 POLICY IMPLICATIONS

- 4.1 If the original proposals are accepted, the change in electoral boundaries will have impacts for representation of voters, delivery of elections and for residents, staff and Elected Members engaging with Members of Parliament. The alternative proposal would minimise these impacts to a great extent.

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 Report to Council of 27 June 2023 - Response to Boundary Commission Review
https://www.eastlothian.gov.uk/meetings/meeting/16952/east_lothian_council

AUTHOR'S NAME	Morag Ferguson
DESIGNATION	Head of Corporate Support
CONTACT INFO	mferguson@eastlothian.gov.uk
DATE	4 th December 2023

REPORT TO: East Lothian Council

MEETING DATE: 12 December 2023

BY: Executive Director for Council Resources

SUBJECT: Submissions to the Members' Library Service,
17 October – 26 November 2023

8

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 17 October and 26 November 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	27 November 2023

**MEMBERS' LIBRARY SERVICE RECORD FOR THE PERIOD
17 October – 26 November 2023**

Reference	Originator	Document Title	Access
103/23	Executive Director for Place	Confirmation of Tree Preservation Order at Templedean House, Florabank Road, Haddington [T.P.O.no 147 (2023)]	Public
104/23	Executive Director for Place	Loch Centre, Tranent	Public
105/23	Head of Infrastructure	Sale of Land, Haddington	Private
106/23	Executive Director for Council Resources	Adoption of the Revised Integration Scheme for East Lothian Integration Joint Board 2023	Public
107/23	Head of Corporate Support	Quarterly Customer Feedback Reporting	Public
108/23	Head of Corporate Support	Establishment Changes, October 2023	Private
109/23	Executive Director for Council Resources	ELC Procurement for Q2 23/24	Public
110/23	Head of Communities	Customer Strategy 2023-2028: Consultation Findings and Action Plan	Public
111/23	Executive Director for Council Resources	Service Review – Web Team	Private
112/23	Executive Director for Council Resources	Reinstatement of Project Assistant & Introduction of Community Research Officer in Children's Services	Private
113/23	Head of Infrastructure	Preston Lodge RAAC Update	Private
114/23	Head of infrastructure	Purchase of Land at Dunbar Cemetery	Private
115/23	Head of Infrastructure	Sale of Limekilns Cottage	Private
116/23	Head of Infrastructure	Sale of Cockenzie & Port Seton Church	Private

27 November 2023