



MINUTES OF THE MEETING OF THE CABINET

TUESDAY 30 JANUARY 2024
VIA A DIGITAL MEETING FACILITY

1

Cabinet Members Present:

Councillor S Akhtar
Councillor A Forrest
Councillor C McGinn

Councillor F Dugdale
Councillor N Hampshire (Convener)

Other Councillors Present:

Councillor L Bruce
Councillor G McGuire

Councillor C McFarlane
Councillor C Yorkston

Council Officials Present:

Ms L Brown, Executive Director for Education and Children's Services
Ms S Fortune, Executive Director for Council Resources
Ms E Dunnet, Head of Finance
Mrs M Ferguson, Head of Corporate Support
Ms W McGuire, Head of Housing
Mr S Cooper, Service Manager - Communications
Mr C Grilli, Service Manager – Governance
Ms H Crowe, Housing Strategy Officer
Mr C Entwistle, Housing Strategy Officer
Ms A Kripler, Housing Strategy Officer

Clerk:

Ms F Currie

Apologies:

Councillor J McMillan

Declarations of Interest:

None

1. MINUTES FOR APPROVAL: CABINET, 14 NOVEMBER 2023

The minutes of the meeting of the Cabinet on 14 November 2023 were approved.

2. BUDGET DEVELOPMENT 2024-25 ONWARDS

A report was submitted by the Executive Director for Council Resources providing an update on progress with developing the budget for 2024-25 onwards, including an overview of the provisional local government finance settlement and the implications of this for East Lothian Council.

The Executive Director for Council Resources, Sarah Fortune, presented the report. She advised that progress was being made towards setting the Council's budget for 2024/25, in the meantime, the impact of the draft Local Government settlement represented a cash cut nationally. The Council continued to face a significant funding gap of £17M, rising to £59M over the next 5 years. She emphasised the scale of the challenge this presented, adding that extremely difficult decisions would be required to enable the Council to set a balanced budget. She reiterated that financial sustainability represented the most significant risk facing the Council and its ability to maintain delivery of core services, and that the seriousness of this risk could not be over-stated. It would require a fundamental review of key priorities to ensure the Council's limited resources were directed appropriately. Mrs Fortune advised that initial indications suggested that East Lothian's share of the Scottish Government's support to fund a council tax freeze would amount to £3.4M. However, it would be for the Council to decide whether to accept this, or to increase council tax and forfeit this grant funding. In closing, she set out the indicative timetable for the Scottish Parliament's approval of the Government's budget and the next steps in the process for the Council's budget-setting and agreement of rent and council tax levels.

The Head of Finance, Ellie Dunnet, responded to a question from Councillor Forrest on the cut to investment in local housing supply. She provided details of the most up-to-date assumptions for the Housing Revenue Account and the likely impacts for the Council's housing programme and rental income.

The Head of Housing, Wendy McGuire, confirmed that the Council had been advised to expect a significant reduction in investment level and if no additional funds were provided this would have implications for the funding of some projects.

Replying to Councillor Dugdale on the expansion of free school meals to P6 and P7 pupils, Ms Dunnet indicated the Council awaited confirmation of the funding, but it was unlikely to be sufficient to meet the requirements for a universal expansion. She anticipated a more limited roll out of the scheme and would provide further details to Members in due course.

Ms Dunnet responded to questions from Councillor Akhtar on the funding of the council tax freeze and whether the grant level reflected the population growth experienced within East Lothian. She advised that the grant to support the council tax freeze represented a 5% increase and it had been clear for some time that a significantly higher increase would be required to close the Council's budget gap. She said that while the Scottish Government's draft settlement had recognised changing population levels reflected in the 2022 census and had included small adjustments to the funding calculation, these did not fully address the costs of population growth nationally or locally. She confirmed that updates were being sought on possible Barnett consequentials following recent UK Government spending announcements.

Mrs Fortune added that significant lobbying had taken place over the last 2 years, including recent meetings with the Deputy First Minister and the First Minister. However, the Council's specific requests had not been addressed through the national funding settlement; and officers

would continue to make representations. She also referred to work being done through CoSLA to ensure that should any additional funding be made available to the Scottish Government, because of UK Government decisions on transport and local authority funding, this money is passed on to Scottish local authorities in full.

Mrs Fortune and Ms Dunnet responded to questions from the Convener. Mrs Fortune stressed that the Council was facing the most significant funding gap it had ever faced; and that while there had been a slight improvement in the financial position, this funding gap would continue into the medium term. The Council would have to signal a change in how it prioritised resources, and this would require some very difficult choices. She said that one of the key levers for increasing revenue had effectively been removed by the proposed council tax freeze.

Ms Dunnet explained that balancing the current budget gap would require an increase in council tax of 21%. If the Council were to decide to increase council tax, regardless of the level of the increase, it would forgo the Scottish Government grant funding being offered to support a council tax freeze. She referred to the five key areas within the Council's financial strategy and indicated that there may be a need to make reductions in the region of 20% of the budget over the next 5 years.

Replying to a question from Councillor Bruce, Mrs Fortune confirmed that the expected contribution to be made by East Lothian Council, in line with the current national distribution settlement.

Councillor Forrest expressed concern about the cut to the housing grant and the implications this would have on investment, available housing, and on the housing waiting list within the county. He said that families needed suitable housing and East Lothian remained one of the fastest growing and lowest funded areas in the country. He paid tribute to staff working in the housing service and said it was important that the wider public were aware of the pressures facing this service.

Councillor McGinn said that this was the most significant funding gap that the Council had ever faced, and staff were working tirelessly to deliver services in extremely challenging circumstances. He also highlighted the importance of acknowledging the contribution made by the Council's workforce and made a plea to communities to be mindful of the challenges staff were facing.

Councillor Akhtar echoed her colleagues' remarks. She noted that in times of emergency the Council was often people's first port of call. She said that over the past 10 years services had been reduced because of efficiencies required by reductions in Government funding, and now these services were reaching unsustainable levels. She supported calls by CoSLA and others for the Scottish Government to reverse funding cuts and to recognise that investment in local authorities was an investment in communities. She also urged the case for fairer funding for East Lothian and said that she and her colleagues would continue to do all they could to raise these issues at national level.

The Convener commented that, in his view, freezing council tax and, as a result, cutting services, went against the principles of the Verity House agreement. He said that the Council was being asked to deliver massive growth, including 10,000 houses over 10 years as well as several new schools while at the same time cutting services. This was not sustainable in the long-term. He said that local authorities needed to be fully funded to allow them to deliver national government priorities. He emphasised the unprecedented scale of the challenge facing the Council and said that Members would do all they could to deliver a balanced budget for the year ahead.

Decision

The Cabinet agreed to:

- (i) Note the update on the provisional local government finance settlement and the implications of this for East Lothian Council;
- (ii) Note the updated budget model summary and funding gap set out in the report; and
- (iii) Note the key next steps toward setting the budget, council tax and rent levels at the Council meeting on 20th February 2024.

3. CHANGES TO BUSINESS RATES EMPTY PROPERTY RELIEF POLICY

A report was submitted by the Executive Director for Council Resources seeking Cabinet's agreement to change the Council's Business Rates Empty Property Relief Policy.

Ms Dunnet presented the report. She outlined the proposed changes to the policy and the properties likely to be affected, although she noted that the number of properties would be subject to change. She advised that the changes would take effect from 1 April 2024.

Ms Dunnet responded to questions from Councillor Bruce and Councillor Akhtar about the intent behind the changes, how these would be communicated, the level of relief being proposed, and confirmed that the effects of these proposals would be kept under review. She said that Councillors were at liberty to raise this issue as part of the forthcoming budget discussions but that any further changes to levels of relief would require further changes to the policy.

The Convener explained the reasoning behind the three-month timescale for relief and confirmed that the policy could be reviewed, and further changes made if required. He said the intention was to prevent buildings lying empty and to make more of them available for rental or purchase.

Decision

The Cabinet agreed, by roll call vote, to approve the Business Rates Empty Property Relief Policy changes outlined in the report. The revised policy would take effect from 1st April 2024.

4. PROPOSED EAST LOTHIAN LOCAL HOUSING STRATEGY 2024-29

A report was submitted by the Executive Director for Place outlining the key changes made to the strategy as a result of the consultation and seeking approval for the proposed Local Housing Strategy (LHS) 2024-2029 which would be implemented from April 2024.

Ms McGuire presented the report. She referred to the draft strategy which had been presented to Cabinet in September 2023 and highlighted the key changes which had been made following the extensive consultation exercise. The strategy had also been peer reviewed with other local authorities and the results had been made available to Members. She confirmed that the implementation of the strategy would be monitored closely, and an annual update would be lodged in the Members' Library. Should significant changes be required during the next 5 years, the strategy could be brought back to Cabinet.

Ms McGuire responded to questions from Councillor Forrest. She acknowledged the challenging circumstances the Council faced and that the expected reduction in funding from Scottish Government would have an impact on the delivery of projects going forward. She said

that her team were looking at maximising opportunities, such as the development of a local investment framework to understand local need across the county and prioritise funding more effectively. She said there was a similarly challenging context when it came to improvements to housing stock to help reduce fuel costs and improve health outcomes. She provided details of some of work done in recent years and said that her team would continue to deliver improvements to housing standards as far as possible within ongoing budget constraints.

Replying to a question from Councillor Akhtar, Ms McGuire agreed with the importance of working closely with colleagues in health and social care to deliver the right type of housing to meet people's need and to ensure that the service was future proofed.

Ms McGuire responded to a question from the Convener on the delivery of affordable homes. She said that this was a very complex area and currently there were many unknowns which made planning difficult. However, she acknowledged that the Council could not meet the demand for affordable housing on its own and there would always be a need to collaborate with developers and to innovate. She reiterated the importance of understanding need at a local level to allow resources to be targeted as effectively as possible.

Replying to a final question from Councillor Dugdale on the numbers of children moving out of the county, Ms McGuire said that there was a real concern that many families were unable to stay in East Lothian as they found it unaffordable. East Lothian Mid Market Homes had been successful in delivering more affordable rental properties and she would like to expand this and other measures in future.

Housing Strategy Officer, Anne Kripler, added that young people going to university may be one of the reasons for them moving out of the county, and some of these may return at the end of their studies. However, current data meant it was difficult to determine the specific causes of children and young people moving away.

Councillor Forrest noted that staff had worked very hard to engage with the public at the drop-in sessions and to answer as many questions as possible. This work had helped to develop this key strategy and he offered his thanks to the staff involved.

Councillor Dugdale observed that this was a complex area, but it was critical to address housing challenges. She said that safe and suitable accommodation was a basic need which linked directly to an individual's health and wellbeing and was necessary to enable everyone to thrive. She referred particularly to the impact on children and young people, and she commended the creative engagement and consultation which had ensured that the voices of children and young people had been heard.

Councillor Akhtar welcomed the strategy noting its importance in enabling individuals and communities to thrive. She welcomed the level of engagement and noted the wide range of responses and feedback across a variety of platforms. She highlighted the role of housing in supporting people's health and wellbeing and the benefits of having this well researched and peer reviewed strategy in place.

The Convener commented that because of recent population growth the demand for affordable housing had never been higher, whether this was social housing or mid-market rent. It would be essential for the Council to deliver many more homes to meet ongoing demand. He referred to the significant financial challenges facing the Council and noted that with increased housing came increased demand for services. He expressed concern that continued funding reductions were unsustainable and, in future, services may be at risk of collapse. He highlighted the work being done on the next local development plan and the challenge of encouraging developers to maximise delivery of affordable homes. He thanked the housing service staff who were working under enormous pressure, and he commended the strategy as a very positive step forward.

Decision

The Cabinet agreed, by roll call vote, to:

- (i) Approve the proposed Local Housing Strategy 2024-29, to agree the priority outcomes identified and to support actions towards achieving these outcomes; and
- (ii) That the proposed Strategy would be updated annual during the period 2024-29, as was required by LHS Guidance, with any updates and changes reported through the Members' Library Service.

DRAFT

Signed

Councillor Norman Hampshire
Council Leader and Convener of Cabinet

REPORT TO: Cabinet

MEETING DATE: 12 March 2024

BY: Executive Director for Place

SUBJECT: Council House Allocations Targets for 2024/25

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1 PURPOSE

- 1.1 To seek Cabinet approval for Council House Allocation Targets for the period 1 April 2024 to 31 March 2025.
- 1.2 To explain the context, legal position and rationale for the proposed targets.

2 RECOMMENDATIONS

- 2.1 That Cabinet approves the recommended targets detailed in Section 3.25 of this report.
- 2.2 That Cabinet notes that performance against these targets is reviewed on a regular basis and that such review forms part of the analysis in setting future targets in 2024/25 and beyond.
- 2.3 That Cabinet notes that ongoing regular monitoring of performance has been embedded within the Community Housing Performance Management Framework.

3 BACKGROUND

- 3.1 The Council operates a Group and Points Allocations Policy, which has been operational since its introduction in July 2007. A review of the Policy took place in 2018/2019 with full implementation on 1 May 2019.
- 3.2 The main objective of the Allocations Policy is to meet the Council's legal obligations specified in the Allocations and Homelessness legislation. The policy, along with other associated actions will also help the Council make best use of Council housing stock. In addition, the policy also assists the Council achieve, along with other complementary actions, balanced and sustainable communities through local lettings plans.

Legal Obligations

- 3.3 In setting any targets against each group the Council must give reasonable preference to certain statutory groups when allocating Council houses. These include applicants living in unsatisfactory housing conditions; tenants in social housing who are under occupying their property and who have unmet housing needs and to those applicants who are homeless or threatened with homelessness.
- 3.4 Most of the statutory groups are found in the General Needs Group, although some applicants may fall into the Transfer Group, such as those who need re-housing because of overcrowding or whose health is being negatively impacted upon in their current accommodation.
- 3.5 The Homelessness etc. (Scotland) Act, which took effect from 1 January 2013 has abolished the “priority need” test and now places a duty on local authorities to provide settled accommodation to anyone found to be unintentionally homeless.
- 3.6 The Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 (amended) stipulated that no household comprising children or a pregnant person be accommodated in ‘unsuitable accommodation for more than seven days’. The Order has since been extended from 01 October 2021 so now no homeless households are permitted to remain in ‘unsuitable accommodation’ for more than seven days, or this will constitute a breach of duties under the extended Order. All homeless households will require to be accommodated in ‘suitable accommodation’ in accordance with Guidance after seven days.
- 3.7 The Children and Young People (Scotland) Act 2014 specifically impacts on the provision of accommodation to young people leaving the care system. The Council “Starter Flat” approach, which allocates these tenancies within the General Needs Group has already helped the Council deliver its corporate parenting objectives and has recently been complemented by the My Place project, which provides shared accommodation for care experienced young people.
- 3.8 The Homeless Persons (Suspension of Referrals between Local Authorities) (Scotland) Order 2022 which came into effect from 29 November 2022 suspends all Scottish local authorities’ powers to refer a person/household who is homeless or threatened with homelessness to another local authority in Scotland on the grounds of their local connection.
- 3.9 The Scottish Government has still not produced guidance and it remains difficult to quantify the impact that this change is having although the Council has in recent times seen an increase in out of area cases, particularly from Edinburgh. The situation is being closely monitored and we continue to highlight our concerns to the Scottish Government both in respect of the lack of guidance and the impact.

Target Principles

- 3.10 The Scottish Government's Legal Framework for Allocations (2019) states that all targets should contain sufficient flexibilities to allow the landlord to continue to meet significant need when a target has been reached. The functionality to review targets against changing housing demand forms part of a responsive allocations policy.
- 3.11 With this in mind, the allocations targets will be reviewed within six months to ensure that they continue to reflect the greatest housing demand. If, after analysis, a change to the targets is deemed necessary, a paper outlining the change will be submitted to Cabinet for approval.

Making best use of stock

- 3.12 Significant effort has been made in the last few years to encourage transfer activity in order to make best use of stock i.e. by creating vacancy chains, which free up additional houses to those initially let to transfer applicants.
- 3.13 To help facilitate this, the Council has also 'incentivised' transfers for existing tenants in larger family-sized properties to move to smaller and more appropriately sized accommodation by awarding downsizing grants.
- 3.14 Housing benefit changes with effect from April 2013 affected those who have a "spare" bedroom deemed to be under occupying. This has led to some tenants wanting to downsize, in turn creating greater demand for smaller sized accommodation.
- 3.15 Full mitigation of the Housing Benefit under-occupancy reduction through Discretionary Housing Payments has helped ease this pressure but this may not continue to be a long-term solution and is the subject of various committee reports.
- 3.16 In May 2021, March 2022 and March 2023 Cabinet continued to approve allocations targets that broadly align to overall housing list demand where most of the reasonable preference groups' applicants can be found, not least those who are homeless. As previously, it is proposed that the targets remain set at this level going forward.
- 3.17 At the end of January 2024, 69.86% of all allocations for 2023/24 have gone to the General Needs group against a target of 70% and 28.74% of allocations have gone to the Transfer group (against a target of 25%). The remaining 1.40% have gone to the Sustainable Communities (against a target of 5%).

Sustainable Communities

- 3.18 Good practice states that landlords should not exclude any prospective tenants from accessing housing.
- 3.19 Good practice also dictates that Local Lettings Plans can only be used where there is demonstrably good reason to do so e.g. high turnover, anti-social behaviour etc. and to promote and enable balanced and sustainable communities.

- 3.20 The Council must set appropriate targets for those with low housing need at such a level that make sufficient material and positive impact to Local Lettings Plans, but at the same time continue to allow the Council to meet its overriding legal obligations to the reasonable preference groups as defined in housing legislation. As such, this flexibility within the lettings targets to positively and materially impact on housing allocations should be retained.
- 3.21 Each local housing team has brought forward local lettings plans, with support from their respective Local Housing Partnerships, to help achieve balanced and sustainable communities. Currently, we have four local lettings plans in operation within the Musselburgh, Prestonpans, North Berwick and Tranent areas – all of which are being kept under continuous review.
- 3.22 In the Prestonpans area, it is proposed to end the McLeod Crescent Local Lettings Plan, which has successfully met its outcomes and replace this with a new plan for Middleshot Square from April 2024. This has been discussed and agreed with the Local Housing Partnership and the report has been lodged in the Members’ Library.
- 3.23 On support from their respective LHPs, existing and future Local Lettings Plans will be reviewed and submitted to the Members Library. It is anticipated that the total target for Sustainable Communities will not exceed 5% but again will be subject to strict monitoring.

2023/24 Allocations against reported groups

- 3.24 There were a total of 501 allocations from 1 April 2023 to 31 January 2024. The following table shows the numbers and percentages of allocations for the following groups for this period.

The total number of allocations at year-end is estimated to be circa 600 (v 503 in 2022/23) and represents the highest number of allocations made since the introduction of the Annual Report on the Charter in 2013/14.

Type	Number	Percentage	Targets 2023/24
General Needs	350	69.86%	70%
Transfers	144	28.74%	25%
Sustainable Communities	7	1.40%	5%
Total	501	100%	100%

- 3.25 Taking account of the 2023/24 data, legal obligations - such as the recent changes to the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014, the introduction of Rapid Re-housing policy and associated requirement for annual Plans, backlogs in and increasing

pressure on the provision of temporary accommodation, optimum stock utilisation and sustainability objectives, senior management within Housing propose the following percentage targets for 2024/25.

Group	Proposed Targets
General Needs	70%
Transfers	25%
Sustainable Communities	5%

- 3.26 These targets should be seen in the context of a range of measures required by the Council and its partners to increase the supply of affordable housing, and to address homelessness and comply with statutory and regulatory requirements.

4 POLICY IMPLICATIONS

- 4.1 The proposed allocations targets will assist the Council to meet its legal obligations under the Housing (Scotland) Act 2001, the Homeless Persons (Unsuitable Accommodation) (Scotland) Order 2014 (as amended) and the Homelessness etc. (Scotland) Act 2003

5 INTEGRATED IMPACT ASSESSMENT

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

6 RESOURCE IMPLICATIONS

- 6.1 Financial – Continuing to set targets at this level will help reduce the overall financial strains on the provision of temporary accommodation by assisting throughout of all forms of temporary accommodation to settled accommodation.
- 6.2 Personnel – None.
- 6.3 Other – None.

7 BACKGROUND PAPERS

- 7.1 Cabinet Report – Council Housing Allocations Review 2019 – March 2019

- 7.2 Cabinet Report – Council House Allocations Targets for 2023/24 – March 2023
- 7.3 Members’ Library – Local Lettings Plans – February 2020
- 7.4 Local Lettings Plan for Middleshot Square – February 2024

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DATE	February 2024

REPORT TO: Cabinet

DATE: 12 March 2024

BY: Executive Director for Place

SUBJECT: Reduction of Speed Limits for Active Freeway

3

1 PURPOSE

- 1.1 To seek Cabinet approval of the statutory procedures necessary to make and amend Traffic Regulation Orders to introduce new speed limits to reduce the speed limit on the A199 between Dunbar and Musselburgh to 40mph between settlements. This is to enable the construction of the Segregated Active Travel Corridor (now known as the [Active Freeway](#)) to current design standards.

2 RECOMMENDATIONS

- 2.1 That Cabinet supports the initiation of the statutory procedures to initiate, consider any objections and make or amend Traffic Regulation Orders in accordance with the relevant legislation to implement a 40mph speed limit between settlements along the A199 to enable construction of the first phases of the Active Freeway during 2024.

3 BACKGROUND

- 3.1 The Active Freeway will be a high-quality commuter cycling and walking link connecting Dunbar-East Linton-Haddington-Gladsmuir-Macmerry-Tranent-Musselburgh along the route of A199. It was formerly known as the Segregated Active Travel Corridor and is a transport intervention first proposed in the Local Development Plan 2018: [*“PROP T3: The Council will develop a new segregated active travel corridor within East Lothian and will work in partnership with local communities, public, developers and the private sector to secure funding mechanisms”*]
- 3.2 East Lothian Council receives contributions towards the construction of the route from all developments within 1.2km of the preferred alignment.

- 3.3 As the former A1, this road is currently over-engineered for the local traffic it now carries, and there is sufficient width within the road corridor to allow two 3.65m carriageways, a 1m landscaped buffer to the north of this, and a 2.5m shared-use path for pedestrians and cyclists.
- 3.4 These specifications comply with both the requirements for HGVs and buses using the road, and [Cycling by Design](#) standards (see S3.4) for a path alongside a 40mph carriageway. If the speed limit was higher, then the landscaped buffer strip would have to increase to a minimum of 2.5m, meaning that additional third-party land would be required along much of its length.
- 3.5 The figures in Appendix 1 indicate the areas where a 40mph limit is required. It should be noted that there are four stretches of between 750m-1200m in length where the speed limit could be retained at the national speed limit, but we are proposing a blanket limit of 40mph between the settlements for consistency.
- 3.6 Within the settlements, the current speed limits are 20mph (East Linton and Macmerry) and 30mph (Gladsmuir) with 40mph buffer zones on the approaches, and it is intended that these will be retained, albeit the buffer zones will be subsumed into the wider speed limits. The alignment of the route through Haddington has not yet been proposed, and an options appraisal will be carried out in due course, at which point appropriate speed limits will be presented for consideration.
- 3.8 There is a short window of opportunity to attract significant funding during FY 2024-25 to begin construction of the section of the Active Freeway within East Linton (known as Phase 2A), and the stretch from Haddington to Tranent (Phase 5), but this is dependent on the new speed limits being agreed.
- 3.9 While there will be a statutory consultation associated with the TRO, it was felt important to gauge public opinion prior to beginning the legal process. Therefore, a public consultation on the outline proposals took place over a 4-week period in late 2023. This focused on the active freeway between Dunbar and Tranent and had several elements, including:
- Online survey (paper copies were also available upon request);
 - Drop-in event in Dunbar;
 - Interactive map where comments could be added; and
 - Presentation given to East Lothian Cycle Forum.
- 3.10 A total of 117 responses to the survey were received and of these 112 people responded to the question asking how strongly they do / do not support the proposed speed limit changes between Dunbar and Tranent. 63% of respondents supported the proposed speed limit changes.

Negative comments received are highlighted below with responses developed in collaboration with the design team.

Comment	Response
It is unlikely that drivers would observe the speed limit and any reduced speed limit is unlikely to be policed. It is also important not to alienate drivers. As such, the changes should not be implemented.	Experience with 20mph limits has shown that drivers are quick to adapt their behaviour and that the new habits are reinforced over time.
Reducing the speed limit would increase journey times, including for buses. This in turn may deter people from using the bus	It is worth noting that the national speed limit for buses (i.e. in those areas outwith the local 20/30/40mph limits) is already 50mph, and therefore the reduction in speed is not significant, particularly when frequent stopping is taken into account. Bus passengers will also benefit from improved shelters, waiting areas and crossing points.
Rather than reducing the speed limit, a wider buffer between the road and proposed path should be implemented, or the path should be located in the field on the other side of the wall / hedge. This would negate the need for reduced speed limits.	This would require third party land which would delay implementation or make it impossible.
The corridor is already safe to travel along for pedestrians and cyclists, and so a reduction in the speed limit is not required.	It may be safe, but it is not particularly attractive due to the speed of vehicles and the fact that the cyclists are often required to be on the carriageway. The footway is also very narrow for significant lengths. The aims is to attract new cyclists, and conditions must be improved.
Noted that many motorists do not travel at the maximum current speed limit on the A199, particularly given the higher speed A1 runs parallel to the corridor, where people can travel at higher speeds if required. As such, a reduction in the A199 speed limit is not required.	It is required in order to meet Cycling by Design standards within the land currently available.
It is not practical for motorists to reduce their speed to 20 mph on sections where this is proposed.	No new 20mph speed limits are proposed.

4 POLICY IMPLICATIONS

4.1 East Lothian Council's [Speed Limit Policy](#) was agreed in 2022. Key points within it for consideration are:

P5: "New speed limits should not be introduced on roads where there is no realistic expectation that drivers will comply with the reduced speed limit."

In this case the intention is to create a road environment in which it will feel natural to drive at lower speeds, and that the new limits will be generally observed.

P6: The Policy further notes that where there is “*significant vulnerable road user activity then a lower speed limit should be considered*”, and while this section of the Policy was intended to cover buffer zones on approaches to settlements, it can be reasonably extrapolated to cover the A199 corridor which will be promoted as a key walking and cycling link across the county, connecting several key settlements.

It will likely be appropriate at a future date to review the Council’s Speed Limit Policy, and we await further Scottish Government Guidance on setting local speed limits before undertaking this work.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The subject of this report will have a positive impact on the environment and the wellbeing of the community by reducing emissions from vehicles and supporting active travel, and will not have a negative impact on equality, or the economy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – all costs associated with the project will be externally funded from grants or by contributions from housing developers in the vicinity of the route.
- 6.2 Personnel – Council Officers will co-ordinate the work alongside existing projects to support sustainable and active travel. No additional resource is required.
- 6.3 Other – None

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DATE	22 nd January 2024

REPORT TO: Cabinet

MEETING DATE: 12 March 2024

BY: Executive Director for Place

SUBJECT: Changes to the Discretionary Charging for the Planning Service

4

1 PURPOSE

- 1.1 To seek approval to alter the discretionary fees to be applied for services within the Planning Service of East Lothian Council that were approved by Cabinet at their meeting of 14 March 2023 and that were implemented on 1 April 2023.

2 RECOMMENDATIONS

- 2.1 It is recommended that the Cabinet approve:
- i) the introduction from the 1 April 2024 of the proposed changes to discretionary charges for providing pre-application services and written advice as set out in Appendix 2; and
 - ii) the introduction from the 1 April 2024 of a priority condition compliance service for major renewable energy related developments as set out in Appendix 2.

3 BACKGROUND

- 3.1 The Town and Country Planning (Fees for Applications) (Scotland) Regulations 2022 (the Regulations) set out the level of fees required as part of the submission of planning applications and other associated applications. They also introduced some additional categories of payment enabling Planning Authorities to charge discretionary fees for some services, to reduce or waive fees in certain cases and to apply a surcharge for retrospective applications.
- 3.2 On 1 April 2023 the Planning Service introduced discretionary charges for (i) providing pre-application services and written advice, (ii) considering a

request to vary a planning permission, as a non-material variation, and (iii) considering a request for written confirmation of compliance/discharge of conditions. It also introduced a surcharge of 25% of the planning application fee to be imposed on all planning applications made after the carrying out of part or all of the development. This charging schedule is set out in Appendix 1.

- 3.3 The Planning Service has reviewed the way in which it provides pre-application services and written advice with a view to improving the quality of the service received by applicants, reflecting on customer feedback and the experiences of the service since implementation of the existing discretionary charges service on 1 April 2023. This review identified that whilst the pre-application service has generally been received well by customers, the amount of officer time used to provide them has been more than initially envisaged. This has meant the intended full cost recovery has not been realised.
- 3.4 This is particularly the case for pre-application services and written advice as well as requests for written confirmation of compliance/discharge of conditions for energy related development proposals in East Lothian.

Pre-application enquiries

- 3.5 The provision of a pre-application enquiry advice is a valuable service allowing planners to identify the appropriate supporting information to front load a planning application and assist in reducing determination timescales. It is proposed to change the pre-application enquiry charging structure to maintain the level of customer service, standardise the offer to customers, and ensure its long-term sustainability.
- 3.6 The charging structure for the pre-application enquiry service is based on the complexity and scale of development proposed, with fees increasing for larger developments that result in more complex enquiries to reflect the amount of work that goes into reviewing and responding to them. This ensures the charging structure aligns to cost recovery principles.
- 3.7 The revised fees proposed for pre-application enquiry charging and the level of service provided is set out in Appendix 2. This includes a new category for major renewable energy related developments including windfarms, solar farms, onshore infrastructure for both onshore and offshore wind and Battery Energy Storage Systems to reflect the challenges the Planning Service faces in seeking to process such a high number of energy related development proposals in East Lothian. It also includes an additional exception to pre-application charging for pre-application enquiries for the installation of renewable energy technologies and/or energy efficiency measures.
- 3.8 It is recommended that the revised charging scale in Appendix 2, which has been developed in accordance with the Regulations, is adopted.

Priority Condition Compliance Service - Major renewable energy related developments only

- 3.9 It is proposed to introduce a priority condition compliance service for major renewable energy related developments.
- 3.10 The priority condition compliance service is for major renewable energy related developments only including windfarms, solar farms, onshore infrastructure for both onshore and offshore wind and Battery Energy Storage Systems.
- 3.11 This priority service is not a statutory requirement and applicants may submit applications for condition compliance without using this priority service. The fees proposed for this service and the timescales for a response are set out in Appendix 2.
- 3.12 The above approach is supported by the established ELC Charging Policy which is predicated on the Best Value principles of:
- *The users of a service should pay for the delivery of the service, unless it is fully universally accessed.*
 - *A service provided to commercial organisations should operate on a cost recovery basis as a minimum.*
 - *A service that is not universally accessed by all residents or delivered to support residents facing disadvantage, should not be subsidised through local and general tax contributions.*
- 3.13 Therefore, services such as providing pre-application services and written advice and considering a priority request for written confirmation of compliance/discharge of conditions should not be paid for out of general service budgets.
- 3.14 The Planning Service spends a considerable amount of time processing pre-application enquiries and requests for written confirmation of compliance/discharge of conditions. Considering the financial context and current demand for this service there is a need to take a commercial approach for altering service charges for pre-application enquiries and introducing a priority condition compliance service for major renewable energy related developments.
- 3.15 If approved, the Council website will be updated to include information on the revised schedule of discretionary charging and updated customer guidance. Discretionary charging guidance documents will be altered and made available before implementation of these changes. A payment process will continue to be in place through the ELC customer portal for payment for the service and invoicing for the applicant. The process will also generate a unique reference for Planning and the applicant, and will allow the applicant to attach drawings, specifications and other information

relevant to their required service.

- 3.16 The Planning Service undertook consultation with prospective energy developers with regard to the proposed new pre-application advice category for major renewable energy related developments and priority condition compliance service for major renewable energy related developments. The feedback received was that prospective energy developers were in principle generally supportive of the introduction of these services, advising fees received should be used to fund extra resource within the Planning Service to deal with future pre-application and condition compliance requests.

4 POLICY IMPLICATIONS

- 4.1 The proposed approach to revisions to the Discretionary Charging for the Planning Service recommended above follows the guidance in East Lothian Council's Charging Policy.

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 proposed revision to the discretionary charges will contribute to the cost of running the Planning Service.
- 6.2 Personnel – The Planning Service will undertake a review of income generated from the proposed new pre-application advice category for major renewable energy related developments and priority condition compliance service for major renewable energy related developments to support a business case to ring fence resource raised to potentially recruit additional staff.
- 6.3 Other - The Planning Service will keep full records of pre-application enquiries processed and priority condition compliance service requests and income generated. Charges will be kept under yearly review as part of the annual budget setting process.

7 BACKGROUND PAPERS

- 7.1 Planning Circular 2/2022 The Town and Country Planning (Fees for Applications) (Scotland) Regulations 2022: [Planning Circular 2/2022 The Town and Country Planning \(Fees for Applications\) \(Scotland\) Regulations 2022 - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/planning-circular-2-2022-the-town-and-country-planning-fees-for-applications-scotland-regulations-2022/pages/1-1-introduction.aspx)

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APPENDIX 1

PRE-APPLICATION ENQUIRY EXISTING FEES INTRODUCED ON 1 APRIL 2023:

Category	Charge	Standard Service	Optional Additional Services
Householder developments (including change of use of land for domestic purposes only) / advertising and signage	£90 + VAT (£108)	<ul style="list-style-type: none"> • Desktop review by case officer based solely on the information submitted by the enquirer • Advice letter aimed to be provided within 20 working days of validation 	None
Local developments (small) including Section 42 applications <ul style="list-style-type: none"> • Up to 10 residential units • Up to 999m² class 4/5/6/other/mixed space 	50% of the cost of the planning application fee, subject to a maximum of £600 + VAT (£720)	<ul style="list-style-type: none"> • Unaccompanied site visit by case officer within 14 days of validation • Review by case officer based solely on the information submitted by the enquirer • Advice letter aimed to be provided within 20 working days of unaccompanied site visit 	Maximum 1 hour meeting with case officer either on site/virtual/in person at the Council's discretion - £120 + VAT (£144) for each meeting – at the request of the enquirer and with the agreement of the case officer specialist service advice (i.e. Road Services attendance) – additional £100 + VAT (£120) for each service
Local developments (medium) including Section 42 applications <ul style="list-style-type: none"> • 11 – 49 residential units • 1000m² to 9999m² class 4/5/6 space • 1000m² to 4999m² other/mixed space • Development proposals where the fee is calculated by site area 	50% of the cost of the planning application fee, subject to a maximum of £1200 + VAT (£1440)	<ul style="list-style-type: none"> • Accompanied site visit by case officer if requested (max 1 hour), unaccompanied if not, within 14 days of validation • Review by case officer of the information submitted by the enquirer • Advice letter aimed to be provided within 20 working days of site visit 	Maximum 1 hour meeting with case officer either virtual/in person at the Council's discretion - £120 + VAT (£144) for each meeting – at the request of the enquirer and with the agreement of the case officer specialist service advice (i.e. Road Services attendance) – additional £100 +

			VAT (£120) for each service
<p>Major/national development including Section 42 applications</p> <ul style="list-style-type: none"> • 50+ residential units • 10,000m²+ class 4/5/6 space • 5000m²+ other/mixed space • 2 hectares+ site size • Development proposals dictated by site area • Other criteria per The Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009 	£900 + VAT (£1080)	<ul style="list-style-type: none"> • Maximum 2 hour discussion meeting with case officer, Road Services and other relevant Council officers at the Council's discretion – verbal advice only, no advice letter provided 	N/A
	50% of the cost of the planning application fee, subject to a maximum of £3500 + VAT (£4200)	<ul style="list-style-type: none"> • Maximum 1 hour discussion meeting with case officer, Road Services and other relevant Council officers at the Council's discretion, date to be agreed within 10 working days • Unaccompanied site visit by case officer • Maximum 1 hour follow up meeting with case officer, Road Services and other relevant Council officers at the Council's discretion • Advice letter aimed to be provided within 15 working days of follow up meeting 	<ul style="list-style-type: none"> • Maximum 1 hour meeting with case officer, Road Services and other relevant Council officers at the Council's discretion either virtual/in person at the Council's discretion - £300 + VAT (£360) for each meeting • Above meeting can include team manager/service manager, in which case - £500 + VAT (£600)
Works to listed buildings	£90 + VAT (£108)	<ul style="list-style-type: none"> • Desktop review by case officer based solely on the information submitted by the enquirer • Advice letter aimed to be provided within 20 working days of validation 	<ul style="list-style-type: none"> • Site visit by case officer - £120 + VAT (£144)

APPENDIX 2 - PRE-APPLICATION ENQUIRY PROPOSED FEES:

Category	Charge	Standard Service	Optional Additional Services
Householder developments (including change of use of land for domestic purposes only) / advertising and signage	£90 + VAT (£108) Two or more dwellings - £180 + VAT (£216)	<ul style="list-style-type: none"> • Desktop review by case officer based solely on the information submitted by the enquirer • Advice letter intended to be provided within 20 working days of validation 	None
Local developments (small) including Section 42 applications <ul style="list-style-type: none"> • Up to 10 residential units • Up to 999 sq m. class 4/5/6/other/mixed space 	50% of the cost of the planning application fee, subject to a maximum of £1000 + VAT (£1200)	<ul style="list-style-type: none"> • Unaccompanied site visit by case officer within 14 days of validation at the Council's discretion • Review by case officer based solely on the information submitted by the enquirer • Advice letter intended to be provided within 20 working days of unaccompanied site visit 	Maximum 1 hour meeting with case officer either on site/virtual/in person at the Council's discretion - £200 + VAT (£240) for each meeting – at the request of the enquirer and with the agreement of the case officer specialist service advice (i.e. Road Services attendance) – additional £100 + VAT (£120) for each service
Local developments (medium) including Section 42 applications <ul style="list-style-type: none"> • 11 – 49 residential units • 1000 sq.m. to 9999 sq.m. class 4/5/6 space • 1000 sq.m. to 4999 sq.m other/mixed space • Development proposals where the fee is calculated by site area 	50% of the cost of the planning application fee, subject to a maximum of £2000 + VAT (£2400)	<ul style="list-style-type: none"> • Accompanied site visit by case officer if requested (max 1 hour), unaccompanied if not, within 14 days of validation • Review by case officer of the information submitted by the enquirer • Advice letter intended to be provided within 20 working days of site visit 	Maximum 1 hour meeting with case officer either virtual/in person at the Council's discretion - £200 + VAT (£240) for each meeting – at the request of the enquirer and with the agreement of the case officer specialist service advice (i.e. Road Services attendance) – additional £100 + VAT (£120) for each service

<p>Major/national development including Section 42 applications</p> <ul style="list-style-type: none"> • 50+ residential units • 10,000 sq.m,+ class 4/5/6 space • 5000 sq.m+ other/mixed space • 2 hectares+ site size • Development proposals dictated by site area • Other criteria per The Town and Country Planning (Hierarchy of Developments) (Scotland) Regulations 2009 	<p>£1200 + VAT (£1440)</p>	<ul style="list-style-type: none"> • Maximum 2 hour discussion meeting with case officer, Road Services and other relevant Council officers at the Council's discretion – verbal advice only, no advice letter provided 	<p>N/A</p>
	<p>50% of the cost of the planning application fee, subject to a maximum of £8000 + VAT (£9600)</p>	<ul style="list-style-type: none"> • Maximum 1 hour discussion meeting with case officer, Road Services and other relevant Council officers at the Council's discretion, date to be agreed within 10 working days • Unaccompanied site visit by case officer • Maximum 1 hour follow up meeting with case officer, Road Services and other relevant Council officers at the Council's discretion • Advice letter intended to be provided within 15 working days of follow up meeting 	<ul style="list-style-type: none"> • Maximum 1 hour meeting with case officer, Road Services and other relevant Council officers at the Council's discretion either virtual/in person at the Council's discretion - £300 + VAT (£360) for each meeting • Above meeting can include team manager/service manager, in which case - £500 + VAT (£600)
<p>Major renewable energy related developments - energy, transmission and infrastructure developments including</p> <ul style="list-style-type: none"> • Windfarms • Solar Farms • Onshore infrastructure for both onshore and offshore wind • Battery Energy Storage Systems 	<p>£10000 + VAT (£12000)</p>	<ul style="list-style-type: none"> • Maximum 2 hour discussion meeting with case officer, Road Services and other relevant Council officers at the Council's discretion, date to be agreed within 10 working days • Accompanied site visit by case officer 	<ul style="list-style-type: none"> • Maximum 1 hour meeting with case officer, Road Services and other relevant Council officers at the Council's discretion either virtual/in person at the Council's discretion - £500 + VAT (£600) for each meeting • Above meeting can include team

<p>This category includes proposals for planning permission in principle, planning permission, approval of matters specified in conditions, Section 42 applications and Section 36 and Section 37 consents under the Electricity Act 1989</p>		<ul style="list-style-type: none"> • Maximum 2 hour follow up meeting with case officer, Road Services and other relevant Council officers at the Council's discretion Advice letter intended to be provided within 15 working days of follow up meeting 	<p>manager/service manager, in which case - £700 + VAT (£840)</p>
<p>Works to listed buildings</p>	<p>£90 + VAT (£108)</p>	<ul style="list-style-type: none"> • Desktop review by case officer based solely on the information submitted by the enquirer • Advice letter intended to be provided within 20 working days of validation 	<ul style="list-style-type: none"> • Site visit by case officer - £120 + VAT (£144)

Exemptions to pre-application charging:

Pre-application enquiries to alter or extend an existing dwellinghouse, or to carry out operations within the curtilage of an existing dwellinghouse, are exempt from payment of a fee if the planning authority is satisfied that the proposed development is intended solely to improve access, safety, health or comfort for a disabled person who is living in the house as their principal residence.

Pre-application enquiries for the installation of renewable energy technologies and/or energy efficiency measures – it should be noted that this exemption does not apply to pre-application enquiries where the renewable energy technologies and/or energy efficiency measures only form a part of a development proposal.

Community Councils - Pre-application enquiries from a community council are exempt from payment of a fee if the planning authority is satisfied that the proposed development is intended solely for community benefit.

Playing fields – Pre-application enquiries by not for profit clubs, or other not for profit sporting or recreational organisations, relating to playing fields for their own use are exempt from payment of a fee. This exemption applies to applications including for the change of use to use as playing fields together with associated operations (such as earth-moving, draining or levelling) but does not extend to the erection of buildings containing floor space. Playing fields would include football, hockey or cricket pitches, but not squash courts, tennis courts or golf courses.

East Lothian Council - Pre-application enquiries from East Lothian Council are exempt from payment of a fee.

East Lothian Integration Joint Board - Pre-application enquiries from East Lothian Integration Joint Board are exempt from payment of a fee as the responsible body for health and social care services.

PRIORITY CONDITION COMPLIANCE SERVICE - MAJOR RENEWABLE ENERGY RELATED DEVELOPMENTS ONLY:

The priority condition compliance service is for major renewable energy related developments only - energy, transmission and infrastructure developments including windfarms, solar farms, onshore infrastructure for offshore wind and Battery Energy Storage Systems and provides an enhanced service for applicants of such developments.

This priority service is not a statutory requirement and applicants may submit applications for condition compliance without using the service.

A fee of £8000 to provide written confirmation that a condition has been complied with for the first request. An applicant may wish to seek written confirmation of compliance with more than one condition pertaining to the same application within the submitted request, which will result in a single fee of £8000 being payable. Each subsequent written confirmation request pertaining to the same application will attract a further fee of £4000.

For this priority service it is intended to provide a response within 6 weeks from the validation date of a condition compliance request application.

REPORT TO: Cabinet

MEETING DATE: 12 March 2024

BY: Executive Director for Place

SUBJECT: Proposed East Lothian Local Economy Strategy

5

1 PURPOSE

- 1.1 To seek approval for the proposed Local Economy Strategy 2024-2034.

2 RECOMMENDATIONS

- 2.1 That Cabinet approves the Proposed Local Economy Strategy 2024-2034, agrees the Vision, Goals, and Objectives, and supports the Action Areas outlined, and notes that:
- Progress will be reported annually, and that the strategy will be subject to a mid-term review in 2028/29; and
 - Following approval, a ‘public facing’ version of the Strategy will be published with a focus of readability / accessibility including additional diagrams and infographics in place of text, relevant case examples highlighting progress made under the 2012-2022 Strategy, as well as photography.

3 BACKGROUND

- 3.1 The Proposed East Lothian Local Economy Strategy 2024-2034 will replace the East Lothian Economic Development Strategy 2012-2022 (refreshed 2018).
- 3.2 The strategy will be the key delivery document for the Grow our Economy objective in the 2022-2027 Council Plan, for the ‘*Prosperous*’ theme within the East Lothian Plan 2017-2027, will support the development and delivery of Local Development Plan 2, and the ongoing development of the Council’s key strategic development sites.
- 3.3 The strategy has been developed in the context of and to align with and support the delivery of the national and regional economic development goals and aspirations contained within the UK Growth Plan and Levelling

Up agenda, National Strategy for Economic Transformation (NSET) and Regional Prosperity Framework (RPF), including resilience, wellbeing and fair work, skills for rewarding careers, just transition to net zero, entrepreneurship, productivity, and innovation.

- 3.4 The Strategy is designed to support the alignment of Council Services and actions around the continued development of East Lothian's Economy. It identifies a set of principles and a shared vision developed in partnership with the key stakeholders in East Lothian's economy, which all of the local economy's stakeholders must work together to collectively achieve.
- 3.5 Development of the strategy has been overseen by the Connected Economy Group (CEG), one of the East Lothian Partnership's Strategic Groups, and was supported by economic consultants from Stantec UK Ltd.
- 3.6 Its development has been based on consultation and analysis of relevant data and takes account of local context, as well as organisational capacity and resources, factoring in local priorities related to achieving increased job density, community wealth and fair work, economic and business sustainability and resilience, innovation and productivity, and the climate and ecological emergency.
- 3.7 The strategy will be subject to a monitoring and evaluation framework with a planned 5-year review, delivery will be kept under ongoing development and progress reported, including via the Council's top 50 Indicators. These will be updated as they relate to the economy, economic development, and support for business.

Evidence

- 3.8 The Local Economy Strategy Vision Paper, appended to this report, is based on the findings set out in the Local Economy Strategy Evidence Paper, which will be lodged in the Members Library. The Vision Paper includes a summary of the main evidence and themes used to develop the vision, goals, objectives, and actions.
- 3.9 The paper identifies a number of significant strengths in the East Lothian economy, including a rapidly growing and well-educated population; a high quality reputation for its food & drink offer; recognition as a high quality visitor destination; natural resources and infrastructure that make the area well placed to target opportunities in renewable energy; a number of nationally and regionally important strategic development sites, high quality east-west transport links, and an active and engaged private and third sector.
- 3.10 The consultants note that their research has also identified a range of factors that could constrain the area's future development, including a shortage of technical skills; an aging population; low business productivity; poor rural and north-south connectivity links, a shortage of high-quality commercial properties and immediately available business expansion land; and constraints on development in rural areas.

Community Wealth Building

- 3.11 The concept of Community Wealth Building (CWB) has been embedded through the strategic approach and Principles, Vision, Goals, and Objectives.
- 3.12 The Scottish Government has adopted the internationally recognised CWB approach to economic development as a key practical means by which progress can be made towards realising their wellbeing economy vision as outlined in the NSET. It is expected that new duties will be introduced to mandate the use of CWB principles, see 4.3.
- 3.13 A CWB approach arranges economic development activity around the concept of anchor institutions, large public, private, and third sector economic actors with significant purchasing power or employment bases, which if acting in socially and environmentally just ways can deliver benefits to residents and communities.
- 3.14 In tandem with the development of this Strategy, The East Lothian Partnership has established a working group to define Community Wealth in an East Lothian Context and work with partners to develop a CWB Charter and Action Plan. The Charter has been approved by the East Lothian Partnership Governance Group and was adopted by Council on 27/02/2024.

Principles, Vision, and Goals

- 3.15 The Vision Paper sets out who and what should benefit, the levers by which action can be taken to achieve the Vision and Goals as well as the core principles that will underpin delivery.
- 3.16 The document includes details of the 6 Objectives that will support delivery of the Goals, as well as Areas for Action in respect of the Objectives. These will be kept under review through delivery and progress reported annually.

4 POLICY IMPLICATIONS

- 4.1 The new Local Economy Strategy 2024-2034 will replace the East Lothian Economic Development Strategy 2012-2022 (refreshed 2018). The strategy will be the key delivery document for the Grow our Economy objective in the 2022-2027 Council plan and 'Prosperous' theme within the East Lothian Plan 2017-2027.
- 4.2 Work undertaken to develop the strategy will inform a revision to the Council's Top 50 indicators as they relate to the economy, economic development, and support for business.
- 4.3 It is expected that new duties may be brought forward by the Scottish Government that will compel local authorities and others to integrate CWB principles and plans into their economic strategies or local outcome improvement plans.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 An Integrated Impact Assessment has been undertaken in respect of the new strategy.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – Achievement of the goals and outcomes with the Strategy will affect the financial planning arrangements of services over the Strategy term. It may also be the case that the future financial position of the Council will impact on the ability to complete or fully achieve or support the goals and outcomes set out within the Strategy. This will be monitored annually.
- 6.2 Personnel – Significant staff time will be needed to implement, monitor, and oversee the ongoing development and delivery of the Strategy.

7 BACKGROUND PAPERS

- 7.1 Proposed Local Economy Strategy 2024-2034 Evidence Paper (to be published in the Members' Library; reference number and link to follow.)

Appendix 1 - Proposed Local Economy Strategy 2024-2034 Vision Paper

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A Sustainable and Thriving East Lothian

Proposed Local Economy Strategy, 2024-2034

Vision Paper

On behalf of **East Lothian Council**



Document Control Sheet

Project Name: East Lothian Local Economy Strategy

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For and on behalf of Stantec UK Limited				

Revision	Date	Description	Prepared	Reviewed
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5	February 2024	Draft v5	DA, AH, KW	SF, SC, MBJ
6	March 2024	Final	AH, KW, SF	SC

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Welcome

[Place holder for letter of introduction / forward by Monica Patterson and John McMillan]

This should:

- **Reflect on the successes of the 2012-2022 strategy period, (COVID resilience, achieving the business growth target; Council's acquisition of the Cockenzie site; progress made at Edinburgh Innovation Hub and Blindwells; East Linton Railway Station, contribution EL makes to the regional and Scottish economy etc.)**
- Reference strategic context and, explain that a lot has changed since 2012 (Covid/hybrid working; climate emergency/net zero target; emergence of new technologies etc), and that now is therefore a good time to revisit the strategy.
- **Refer to the principles of Community Wealth Building, Net Zero, Sustainability and Fairness and how these thread through the strategy.**
- Talk about the strong foundation that East Lothian must tackle the challenges ahead, noting that it is well placed to be at the forefront of the clean energy transition, and the strength of its sustainable tourism and food and drink offer.
- Outline opportunities and threats.
- **Be clear that this is a Local Economy Strategy for the whole of East Lothian to use and deliver and not just for the Council** but note that the Council will play an active role in overseeing its delivery through an enabling, leading, and values driven approach.
- **Recognise that the strategy is being launched at a time when Council resources are tight;** and emphasise the importance of new and innovative delivery models and the need for partnering and support from central governments and stakeholders in ensuring that this strategy is a success.]

Introduction

Purpose

The East Lothian Local Economy Strategy (2024-2034) sets out a shared vision and a set of shared objectives, actions, and performance measures for East Lothian Council and its partners to work towards over the next ten years. It aims to ensure East Lothian continues to be a sustainable and thriving place with fairness and the development of community wealth at its heart.

It is built around five key principles that the Council and its partners consider fundamental to the area's economic future:

- **Fairness**
- **Enterprising**
- **Thriving and Resilient**
- **Community Wealth Building**
- **Green and Sustainable**

It draws evidence from:

- **Socio-economic review:** a desk-based review of socio-economic data, including a review of data on demographics; economy, employment, and business; labour market characteristics; connectivity; housing and employment land; and the visitor economy.
- **Stakeholder and community engagement:** including community consultations; business stakeholder workshops plus feedback sessions; ongoing engagement with the East Lothian Connected Economy Group; one-to-one discussions with key stakeholders and Council officials; sessions with Councillors, and participation at economic development events in East Lothian.
- **Community Wealth Building (CWB) audit:** an assessment of East Lothian's current approach to CWB, based around the Scottish Government's 'five-pillars' approach, and the development of a CWB Action Plan and Charter, which supplements and complements this Local Economy Strategy.
- **Strategic review:** a review of the key national, regional, and local strategic documents that influence East Lothian's approach to developing the local economy.

The research and consultations were undertaken over the course of 2023 and early 2024.

The research identified a number of significant strengths in the East Lothian economy, including a rapidly growing and well-educated population; a high quality reputation for its food & drink offer; attractive visitor destinations; natural resources and infrastructure that make the area well placed to target opportunities in renewable energy; a number of nationally and regionally important strategic development sites, high quality east-west transport links, and an active and engaged private and third sector. It also identified a range of factors that could constrain the area's future development, including a shortage of technical skills; an aging population; low business productivity; poor rural and north-south connectivity links, a shortage of high-quality commercial properties and immediately available business expansion land; and constraints on development in rural areas.

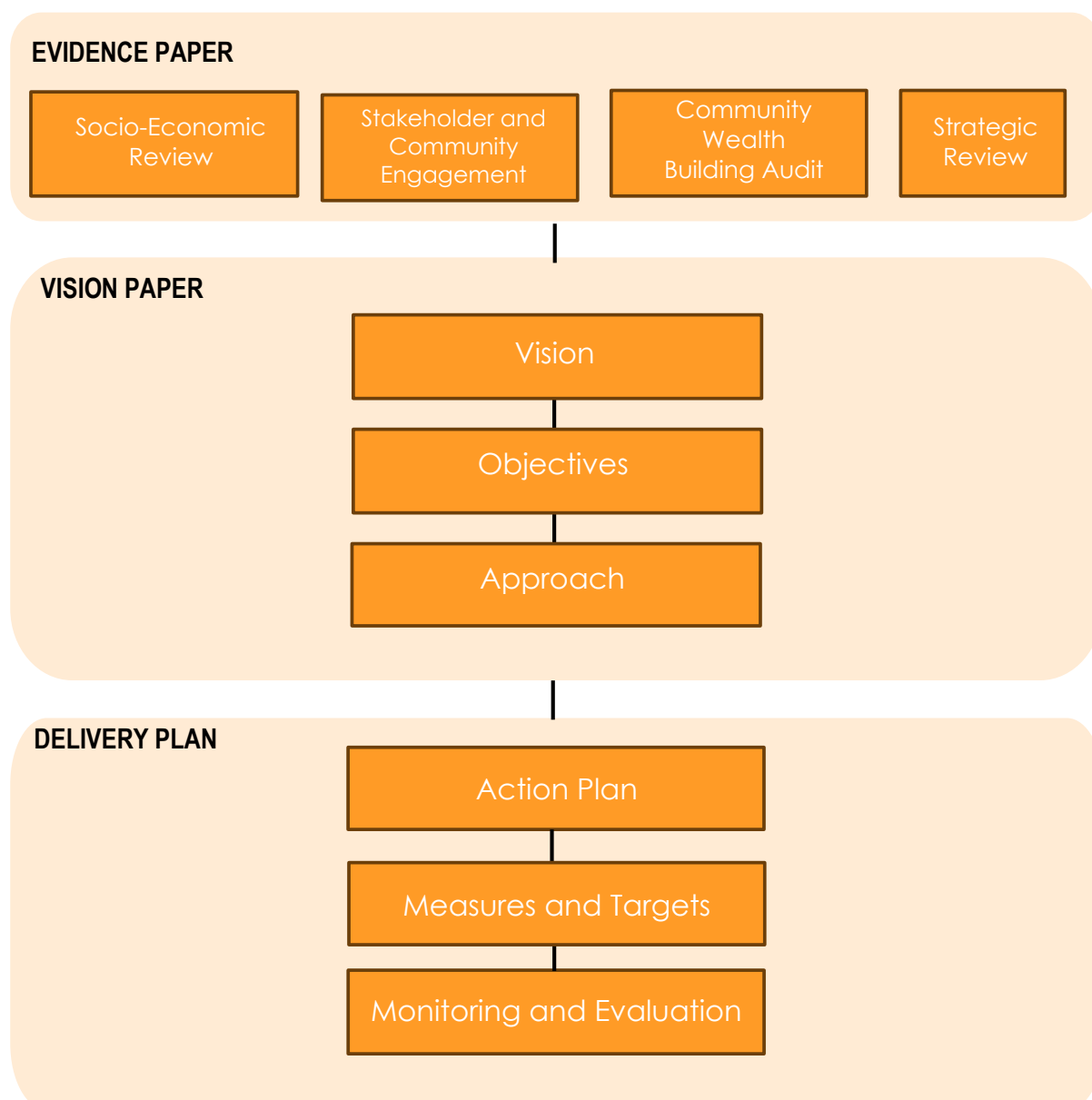
Structure

The Strategy consists of three documents:

- **The Evidence Paper:** presents in detail the evidence gathered from the socio-economic review, stakeholder and community engagement, Community Wealth Building audit and strategic review, which supply an underlying evidence base to support this Strategy.
- **The Vision Paper (this document):** forms the basis of the new Strategy, providing a summary of the key messages from the evidence paper; presents East Lothian's Vision, Goals, and Objectives for the next 10 years; and outlines the approach that it will take to deliver this.
- **The Delivery Plan:** to be finalised following approval of the Strategy Vision, Goals, and Objectives, this will set out in detail the actions that the Council and its partners will take to support the delivery of this strategy; how this will be measured and what targets it will seek to achieve; and its process for monitoring and assessing its performance over the next ten years.

The figure below explains how these three documents fit together.

Figure 1: Local Economy Strategy



Key Findings: Socio-Economic Review

The socio-economic review considered the current geographic profile, demographic and labour market trends, business composition, labour productivity, transport and digital connectivity, visitor economy and equalities and inclusivity trends in East Lothian. The findings from this review are summarised below and set out in detail in the Evidence Paper.

Demographics

- **Fast growing population:** East Lothian's population has grown rapidly and is now 25% higher than it was at the turn of the century. This compares to a 16% increase across the Edinburgh and South East Scotland City Region and an 8% increase across Scotland as a whole.
- **Growth likely to continue:** This trend is forecast to continue, with a 14.3% rise in population forecast between 2018-2043, compared to a 6.3% increase across the City Region and a 2.5% increase across Scotland.
- **Fewer young working adults:** East Lothian has relatively fewer young working adults than Scotland as a whole, with only 38.6% of its residents aged between 16 and 49, compared to 42.8% across Scotland.

Economy, Employment and Business

- **A growing and increasingly productive workforce:** Employment growth in East Lothian has outperformed the Scotland average in almost every sector of the economy, driven largely by significant population growth. Productivity, in terms of GVA per worker, has also grown by 23% between 2011 and 2021.
- **Different sectoral composition:** East Lothian's sectoral composition differs from the rest of Scotland, with a higher proportion of the workforce employed in agriculture, construction, hospitality; and a lower proportion employed in manufacturing and the private services sector.

Labour Market and Attainment

- **East Lothian has close to full employment:** Labour market statistics indicate that East Lothian has an unemployment rate of 1.7% and is therefore close to full employment, and that a large proportion of those employed work in small businesses.
- **Out-commuters earn more than people employed locally:** Workplace earnings are lower than both resident earnings for East Lothian, and average workplace earnings for the other comparator areas. This is largely driven by high earners commuting to work in Edinburgh and elsewhere.
- **More people with qualifications:** In 2021, East Lothian had more residents with some form of qualification than the City Region, Scotland, and Great Britain.
- **Pockets of deprivation:** While the proportion of East Lothian residents residing in areas of multiple deprivation is below the Scotland average, significant differences exist within the Council area.

Connectivity

- **Long term increase in travel, but post-Covid uncertainties remain:** Transport volumes, in terms of road and rail, increased significantly in the lead up to the pandemic but it is currently unclear whether journeys will return to pre-pandemic rates. East Lothian ranks above the Scottish and City Region average in terms of access to a car.
- **Full-fibre broadband wide-spread, but still some blackspots:** East Lothian has strong full fibre connectivity relative to other geographies, however broadband speeds and mobile signal strengths in many areas of East Lothian are below the national average, especially rural areas.

Housing and Employment Land

- **House prices are above the Scotland average, and growing faster:** House prices in East Lothian are above the Scottish average (£312,986 v £217,396) and are rising faster (56% over 10-years in East Lothian, over the past decade, compared to 39% across Scotland). The affordability ratio for East Lothian, 7.1, also sits above the Scottish average of 5.4.
- **Limited available office, retail and industrial space but significant amount of undeveloped employment land:** Whilst 97% of employment space is currently occupied, 59% of the local authority's total employment land is currently undeveloped.

Visitor Economy

- **Strong destination performance:** East Lothian has a strong visitor economy with 1.22m tourists visiting in 2022. The vast majority of visitors (64%) are from Scotland and the average length of stay is 4.6 nights.
- **Changing customer preferences:** Demand for non-serviced accommodation (oncl. short term holiday let) in East Lothian has doubled in the past ten years, while demand for serviced accommodation remains broadly unchanged. Consumer trends towards slow tourism, authentic experiences, wellbeing and escaping fit the Visit East Lothian offer well.
- **Key economic contribution:** 4,124 F-T equivalent jobs supported by tourism activity. Generated £299m in the local economy in 2022.

Key Findings: Stakeholder and Community Engagement

The Evidence Paper provides a full listing of stakeholder engagement events and consultation participants and a detailed narrative on the themes that emerged from these discussions. The themes are summarised below:

Skills, Training, Employability and Workforce Development

- **Skills shortages reported:** Businesses reported skill shortages in the manufacturing and engineering, construction, hospitality, health, care, childcare and early years sectors. Businesses also find it difficult to recruit people with strong maths and English skills.
- **Staff cover an issue for small businesses:** Small businesses report issues around funding and providing staff cover for on-the job training. Participation in training and engagement with apprenticeships is also low.
- **Opportunity for new delivery models:** View that social enterprises, co-operatives, and employee owned businesses can play an important role in supporting skills development.
- **Short-term nature of UKG/SG funding an issue:** Many employability schemes are funded on 1-2 year contracts, which creates a challenge for workforce continuity and long-term planning for employability support.

Business and Social Enterprise Development

- **Lack of business accommodation constraining business growth:** Businesses reported a significant shortage of serviced office and light industrial space and of available employment land in East Lothian.
- **Strategic sites offer potential:** Along with a number of private sector developments, proposals for the former Cockenzie Power Station site; Blindwells Town Centre, and Edinburgh Innovation Park all have significant potential to address this shortfall. There is also a significant opportunity to repurpose the Torness nuclear site for strategic use once decommissioning begins.
- **Opportunity for a streamlined service offering:** Businesses report that they can find public services disjointed, and feel 'bounced from person to person', they find the form filling and 'red tape' associated with accessing public sector services and support a deterrent. Public sector finances are under severe pressure impacting the scope and availability of services, the opportunity to simplify and rationalise services can be explored.

Transport and Travel

- **Public transport connectivity can vary:** Public transport connectivity to and from Edinburgh is considered good in certain places but could be more frequent. Cross-county services and services to rural communities are often limited and intermittent, and this can impact on access to employment, training and healthcare. Transport barriers can impact on the long-term sustainability of rural settlements and cause young people to move away.
- **Town centre congestion and parking is reportedly an issue:** Particularly in North Berwick and Tranent, with implications for locals, visitor experiences, and public safety. Greater turnover of town centre parking to improve capacity is highlighted as a need.

Broadband and Mobile Connectivity

- **Concerns around broadband and mobile connectivity:** Speed and availability of broadband and mobile connections are considered poor in many rural and some urban areas. This can create challenges for individuals and businesses based in these communities and make areas less attractive places to live for people in hybrid employment.

Housing and Infrastructure

- **Concerns around housing mix:** While there has been substantial housebuilding activity in East Lothian in the past ten years, there are concerns in the community that too many large detached houses are being built, and that there is insufficient affordable housing and housing that meets the needs of market renters, first time buyers, key workers, and older people.
- **Concerns around speed of infrastructure development:** Stakeholders argued that the speed of infrastructure development has not always kept pace with the speed of housebuilding, and there have been particular challenges around water, drainage, and access to health and social care, dentistry, childcare and early years care.

Town Centres

- **Competitive threats to town centres:** Stakeholders and community members reported that a limited availability and low turn over of town-centre parking spaces, competition from edge-of town retail developments, competition from Edinburgh, and changes in shopping habits have all deterred some residents from using their town centres. However, increased home working is driving increased demand for town centre service businesses and leisure opportunities.
- **Issues around narrow pavements:** It was argued that these can make town centres feel inaccessible and unsafe for older people, those with physical impairments, and pram and buggy users.
- **Businesses reporting cost pressures:** Businesses reported that rising business rates and utility costs are placing a strain on some town centre businesses.

Rural Communities

- **Perception that rural communities are ‘punching below their weight’:** East Lothian’s rural settlements are thought to offer significant economic potential, particularly in the tourism, professional service sectors, and the development of new SMEs with hybrid working offering new growth opportunities in these areas. However, limited public transport provision, employment space and broadband connectivity remain barriers. Many rural areas have vacant buildings and unutilised land that are suitable for repurposing.
- **Pressure from national infrastructure development:** Rural communities note that they face pressure and significant negative impact from the development of national infrastructure, e.g. electricity infrastructure and battery storage systems that are given preferential development approval over the development of locally owned renewable schemes, and commercial / business developments.

Sustainable Tourism

- **East Lothian has a strong and distinctive tourism offer:** However, there was a perception that more could be done to improve the availability and quality of visitor accommodation across the area in light of the impact of short-term let legislation.
- **Rural tourism connectivity opportunities:** Stakeholders identified opportunities to improve public transport and active travel connections to rural visitor attractions (including National Museum of Flight, Glenkinchie Distillery, long distance walking and cycle routes, beaches, and villages in the Lammermuir Hills).
- **Need for a sustainable approach:** There is potential for conflicts to occur between residents and visitors in popular tourist areas and on beaches. Future tourism development therefore needs to be sustainable and in alignment with the Visitor Management Plan.

Clean Energy

- **East Lothian’s clean energy sector thought to have huge growth potential:** with opportunities in on-shore and off-shore wind; hydrogen; geothermal and solar energy; energy network distribution; district heat networks; nuclear decommissioning; and, in improving the energy efficiency of new and existing buildings. East Lothian’s businesses and communities will be well positioned to benefit from this growth provided that suitable land and / or business premises are available, opportunities are made for Tier 2 and 3 contractors to bid for contracts, for local workforce upskilling, and for a fair and long term approach to the investment of community benefit payments.

Food and Drink

- **Significant opportunities in food and drink sector:** Stakeholders consider East Lothian to have a strong reputation for production of high-quality food and drink, and growth in on-line trade presents a great opportunity for businesses to market their produce to a wider audience. However, talent attraction and access to grow-on space continue to present significant barriers to growth.

Key Findings: Community Wealth Building Audit

The Scottish Government has recently adopted the internationally recognised Community Wealth Building (CWB) approach to economic development as a key practical means by which to achieve economic objectives. Throughout this Strategy, East Lothian looks to embed the concept of CWB as a core principle and particularly in the objectives, actions, and monitoring indicators. As part of the stakeholder consultation for the development of this strategy a CWB specialist conducted a series of workshops with East Lothian Council’s CWB Working Group and conducted a current assessment for East Lothian of the five pillars found within CWB. This is summarised below with the following Red, Amber, and Green ratings to show East Lothian’s baseline position:

Figure 2: East Lothian Community Wealth Building Audit

Overarching Indicators		Plural Ownership of the Economy	
Political Buy-In	Green	Local Market Understanding	Green
CWB Working Group	Green	Co-operative and Social Enterprise Formulations	Amber
Embedding CWB in Strategy	Amber	Cooperative and Social Enterprise Support	Amber
Progressive Procurement		Socially Just Use of Land	
Spend Analysis	Amber	Community Benefit Clauses	Amber
Procurement Working Groups	Amber	Land Ownership Review	Amber
Community Benefit Procurement Frameworks	Amber	Community Land Trusts	Red
Local Market Making	Amber	Ownership Transfer	Amber
Advancing Fairer Employment and Just Labour Markets		Making Financial Power Work For Local Places	
Employee Mapping & Re-spend	Green	Outsourcing Review	Green
Real Living Wage	Green	Community Banks	Green
Workforce Health & Well-Being	Green	Pension Fund Influencing	Amber
Direct Recruitment	Amber	Credit Union Formulation	Green

The Local Economy Strategy has CWB linked aims, objectives and measures flowing through it. The strategy is designed to:

1. Ensure that all activities bring maximum local economic benefit for East Lothian residents.
2. Maximise the amount of spending undertaken with local businesses, SMEs, and social economy organisations.
3. Ensure that all organisations with a base in East Lothian behave in socially and environmentally responsible ways.
4. Harness the potential of East Lothian’s assets (human, financial, and physical) for the benefit of the East Lothian economy, organisations within East Lothian, the people of East Lothian, and the environment.
5. Maximise the benefit of development and inward investment for the benefit of the people of East Lothian.

East Lothian’s Community Wealth Building Charter (**Appendix A**), based on this analysis, was adopted in February 2024, and includes the additional ‘pillar’ of addressing the climate and nature emergency.

Key Findings: Strategic Review

The East Lothian Local Economy Strategy cannot be delivered in isolation. The vision, objectives and actions identified in the Strategy will need to align with a variety of existing strategy and policy documents. The key national, regional, and local strategies are summarised below.

Figure 3: Strategic and Policy Alignment



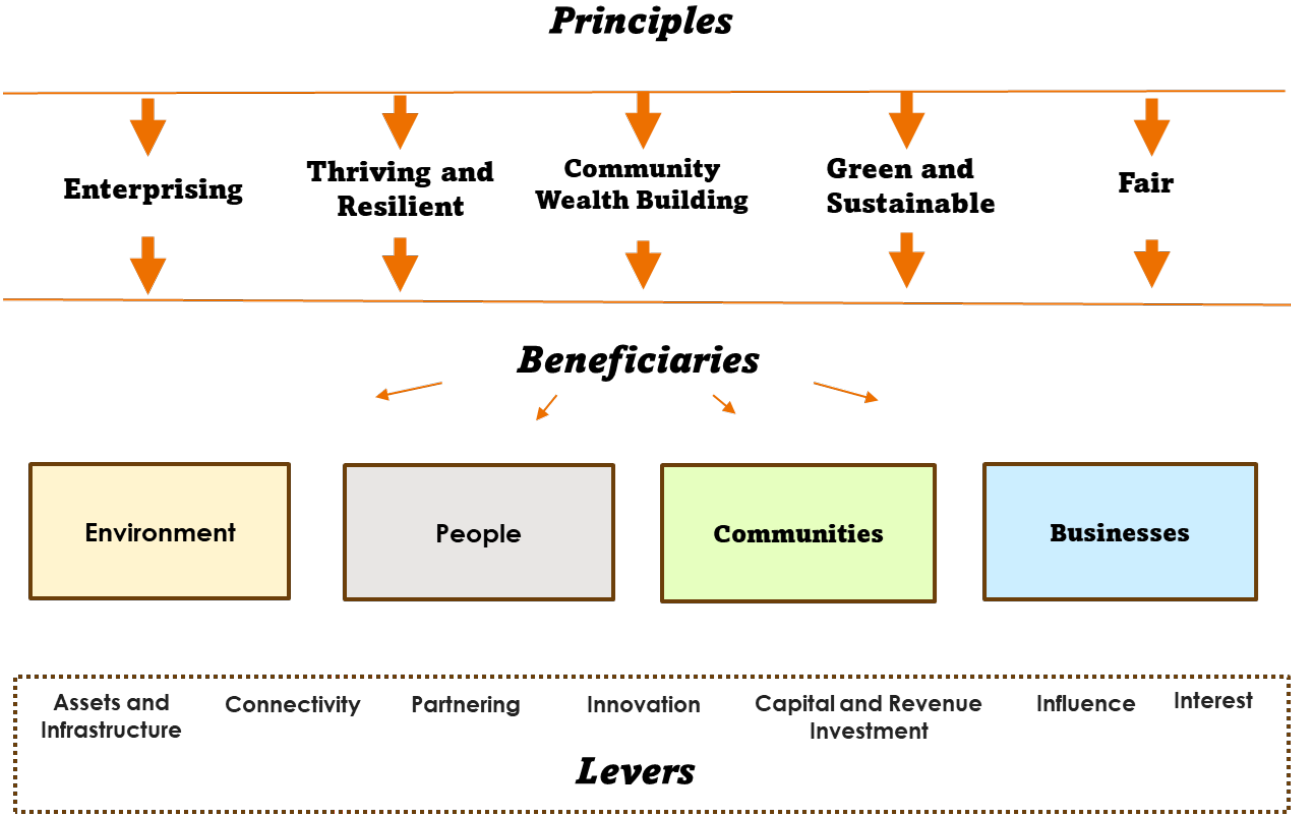
Approach

This Strategy aims to give all East Lothian’s people, communities, businesses, and its environment (defined here as the ‘four beneficiaries’) the support they need to reach their potential and achieve their goals.

It will do this in a manner that is financially and environmentally sustainable, develops community wealth, supports a just transition to a green and sustainable economy that is enterprising, thriving & resilient and provides access to opportunities for all East Lothian residents (defined here as the ‘five principles’).

To achieve this, the Council and its partners will seek to make best use of, and further develop the area’s assets and connectivity links to build effective partnerships; foster innovation; invest its resources appropriately; utilise its influence with other economic partners; and generate interest (defined here as ‘the seven levers’).

Figure 4: Developing the East Lothian Local Economy – Overview of Approach



Further details of the stakeholders, principles, beneficiaries and levers is provided in **Appendix B**.

Vision

Based on the evidence presented in preceding sections, East Lothian Council and its partners have developed the following vision:

In 2034, East Lothian will be an increasingly thriving, sustainable, and inclusive economy.

We will adopt a joined-up approach to economic development, with all local economy stakeholders working together to give East Lothian's people, communities, and enterprises the support they need to reach their potential and achieve their goals.

East Lothian will be recognised nationally and internationally as a great place to live, work, visit, learn, and invest and as a leading partner in delivering regional prosperity, community wealth, and driving forward Scotland's just transition to a net zero economy.

Goals

There are three strategic goals in support of the Vision:

Goal 1 To increase the number of businesses in East Lothian with growth and employment potential.

Measure Total number of businesses in East Lothian¹, number of businesses with > 50 employees, number of businesses with > 250 employees.

Goal 2 To reduce income inequality across East Lothian, and to improve access to employment in rural areas.

Measure Difference between average residential based earning and workplace-based earning in East Lothian² and the percentage of East Lothian datazones that lie in the most deprived quintile of Scottish datazones on the SIMD.³

Goal 3 To increase the number of socially and environmentally responsible businesses in East Lothian, expand plural ownership of the economy, and grow community wealth.

Measure The number of East Lothian public, private, and third sector organisations who have signed up to the East Lothian Community Wealth Building Charter (Appendix A)⁴.

¹ As recorded by the ONS Business Register and Employment Survey, this includes only those businesses registered for VAT or PAYE, so excludes smaller 'lifestyle' business or those in the early stages of establishment.

² Measures whether the jobs on offer to residents of East Lothian are as well remunerated as those within a wider regional travel to work area.

³ Refreshed every 4 years, consider Income, Employment, and Access domains, target coastal and rural wards.

⁴ Consider also, number of employee-owned businesses, number of social enterprises.

Objectives

To achieve the Vision and Goals, East Lothian Council and its partners have set six Strategic Objectives:

Objective 1: To be the destination of choice for innovative, socially, and environmentally responsible businesses to set up, grow, and succeed.

Addresses: Although progress was made under the 2012-2022 Strategy, there are not enough businesses in East Lothian, and in particular businesses with a higher number of resident workers. A consequence of this is a lower jobs base, a high rate of out-commuting, and a negative difference between workplace and residence-based earnings. Growth in the business base must be targeted at socially and environmentally responsible businesses, and those who will employ local people and develop local supply chains. Businesses should subscribe to the ideal that part of their success is measured by the provision of wellbeing and prosperity for individuals and society, and protection of the environment. A key area where the Council can support business growth is through the allocation, supply, or development of land for commercial / employment activity. Land in the west at Queen Margaret University, Cockenzie, and Blindwells will continue to be key to delivery of this objective. Commercial developments must also be facilitated in and around the County's towns and villages to ensure rural East Lothian is not left behind. It is critical that a pro-business approach to Planning is taken to maximise the benefits of opportunities, especially where land is zoned or can be deemed suitable for economic use.

Objective 2: To provide high quality opportunities for people to learn, develop skills, and grow their potential.

Addresses: The OECD predicts that as many as six in ten workers will require retraining before 2027. Technology and digitization will continue to drive changes in the way people work, resulting in analytical and creative thinking being identified as the most important skills for workers in the coming years. There are significant opportunities for East Lothian to grow its economy, prosperity, and position in the City Region through innovation, data sciences, clean and renewable energy, construction and infrastructure, tourism, food and drink, health and social care, childcare, and agriculture. However, business report ongoing challenging in recruiting to their required skill sets locally (including maths and English), and demographics suggests that fewer younger people train, live, and work in East Lothian. East Lothian Council and its partners should focus on providing relevant high-quality opportunities for learning, upskilling, and reskilling.

Objective 3: To build on East Lothian's reputation as a great place to live, work, and learn by adopting a pro-business approach, seeking and supporting sustainable investment, and by empowering communities.

Addresses: Heritage, culture, and nature are key attributes for East Lothian along with the distinctiveness of its towns and villages, each having its own identity. This is an attractor for residents, visitors, and businesses alike, contributing to East Lothian's reputation and excellent quality of life. Retail trends continue to shift, but there are new opportunities for high-quality local offerings, especially linked to food, drink, and experiences, as well as more social and cultural functions in town and village centres. Sense of place is a key attribute and one which can be developed and marketed to increase economic growth and resilience. The rural economy can require specific support and faces challenges that include availability of public transport for businesses and their staff, digital connectivity, and fewer opportunities to develop commercial space for new and growing businesses. Policy interventions such as 20-minute neighbourhoods need to be interpreted in a rural context in East Lothian but provide an opportunity to further enhance the experience of living and working in the area. The Council should adopt a pro-business approach to encourage investment that can address these challenges and deliver on opportunities, and ensure communities are empowered to develop or contribute to plans for their areas.

Objective 4: To capitalise on the economic opportunities of and take a leading role in the just transition to a net zero economy.

Addresses: Facilitating a just transition towards a net-zero economy is crucial for addressing the climate and ecological emergency. East Lothian is well placed to capitalise on this transition through job creation, business creation and growth, increased investment, cost savings, and building resilience. The transition to clean energy, natural capital and regenerative agriculture, and high-quality local food and drink are key areas of opportunity for East Lothian. The area is uniquely placed to take advantage of significant amounts of renewable energy production, opportunities for the development and delivery of clean heat to homes and businesses, and opportunities linked to hydrogen production, decarbonising of industrial processes, nuclear decommissioning, and improvements in agricultural productivity and diversification.

Objective 5: To maximise the opportunities of being a part of the Edinburgh and South East Scotland City Region.

Addresses: The 2012-2022 Strategy highlighted that East Lothian's proximity and connections to Edinburgh and QMU were amongst its main assets, but that those opportunities were not being fully maximised, as shown by deprivation levels being highest in Musselburgh, Prestonpans and Tranent. The Edinburgh and South East Scotland City Region Deal is expected to deliver capital investment of £1.3bn across Research, Development and Innovation, Skills and Employability, Transport, Culture, and Housing. It has also facilitated the Regional Prosperity Framework and Delivery Plan, identified opportunities for funding collaboration, and developed a framework for Community Wealth Building. The County's strategic sites at the Edinburgh Innovation Hub and Park, Cockenzie, Blindwells, and Dunbar are key to delivering regional prosperity. East Lothian should continue to collaborate and contribute to regional working and the development of prospectuses, programmes, projects, and funding bids with a focus on benefit realisation and securing Community Wealth for East Lothian.

Objective 6: To promote a successful, accessible, and sustainable tourism sector that provides quality experiences and benefits our local communities.

Addresses: Tourism is a significant contributor to the East Lothian and Scottish economy. Edinburgh is the key national driver for higher spending overseas visitors and East Lothian can build on its proximity to the capital city by continuing to promote the destination as Edinburgh's Coast & Countryside to maximise the benefits of that proximity. The Edinburgh and South East Scotland City Region Deal Visitor Economy & Culture Programme is set to deliver ambitious cross regional working to benefit the regional visitor economy. It will be the vehicle to inform, develop and deliver regional visitor economy projects, with the aim of becoming a world-class year-round destination, delivering a forward-looking responsible approach to tourism development. This affords opportunities for East Lothian to contribute and benefit from the key investment areas including DDI, cycling and culture. Scotland Outlook 2030 is the national tourism strategy which aims to deliver responsible tourism for a sustainable future. East Lothian should continue to collaborate towards achieving this goal building on the destination offer and assets to sustainably grow a responsible visitor economy in the interest of communities, businesses, and visitors.

Delivery

Proposed initial actions in support of the Vision, Goals, and Objectives have been grouped into five Action Areas. Following approval of the strategy, officers will finalise an operational Delivery Plan that will provide full details of the actions East Lothian Council and its partners will take to deliver the strategy and vision. It will include a finalised list of prioritised actions they will take forward, with an allocated lead service or partner, delivery timescale, financial model and funding sources, and performance measure against each action. The Delivery Plan will be a dynamic document that is kept under review with progress reported to the East Lothian Partnership Governance Group by the Connected Economy Group.

Action Areas

1. Business Creation and Growth

Actions to develop new enterprise and employment sites, to prepare for the future of work through accessible workplaces and co-working spaces across the county, to focus on the creation and growth of socially and environmentally responsible business and to develop more local and circular supply chains.

Proposed Actions:

Invest East Lothian - Branding and Marketing - Develop an 'Invest East Lothian' proposition, brand, and product offer, including website, logo, and related promotional tools. Work in partnership with Scottish Enterprise, Scotland Development International and others to promote East Lothian as a business location for local, regional, national, and international entrepreneurs, inward investors, and high growth businesses, including strategic sites at the Edinburgh Innovation Park and Cockenzie. Focus on propositions that will increase domestic employment and local supply chains and are socially and environmentally responsible and promote community wealth building.

East Lothian Incubation and Co-working network - Support the development of a network of incubation and co-working spaces for new and growing enterprises across East Lothian by providing advice and guidance to interested parties around suitable sites, building availability, and tenant identification - link to the Council and other Anchor Institution asset rationalisation processes where appropriate.

Progressive Procurement – East Lothian Anchor Institutions should set up a group to enable commissioners and procurers to have a dialogue around community benefits in the design and procurement of services, to share learning, and to scope the potential for joint procurement and wider joint working. Develop programmes to support SME access to public sector procurement.

Rural Potential - Supporting Development - East Lothian Council to provide via its new Local Development Plan support for rural developments of appropriate scale for East Lothian, including space for enterprises in rural and coastal areas, rural / agricultural diversification, and locally owned clean energy.

Business Finance - East Lothian Investment Ltd. - Continue to be a values-driven, fit for purpose, investment fund, supporting more local businesses with their growth aspirations at the right time with the right offering. Adapt offering and operating model to ensure sustainability of the fund with ongoing support of ELC while seeking new sustainable and complimentary partnerships.

Commercial Development - East Lothian Land Ltd. - Build the ELL Board's diversity and competence as a key enabler to making sustainable use of existing ELL capital together with external capital for projects which in turn encourage investment and growth across East Lothian businesses.

2. Training, Skills, and Employment

Actions to help get people into employment, enable access to training and skills, attract and retain talented people, build lifelong learning, support those furthest from employment, prepare for the future of work, and promote fair work practices.

Proposed Actions:

Direct Recruitment - Working with employability services, Anchor Institutions to review recruitment policies and practices to increase opportunities for employment and recruitment to recruit locally and where appropriate from priority groups such as young people, people with disabilities and long-term health problems, people experiencing poverty, people with caring responsibilities.

Advancing Fair Employment and Just Labour Markets - Use the adopted Community Wealth Building Charter to ensure East Lothian Anchor Institutions are accredited Scottish Real Living Wage

employers and support advancement of fair employment and a just labour market, roll out the Charter to the wider public, private, and third sectors.

English Speakers of Other Languages (ESOL) - Deliver SQA accredited qualifications through a hybrid delivery model, employability support to meet the specific needs of ESOL learners (including migrants and refugees). ESOL delivery also includes informal language learning to enhance integration into our local communities.

Community Benefit in Procurement – Negotiate with contractors the delivery of a range of employability outcomes and pathways including work experience, employment, and associated qualifications including sector specific certificates.

3. Communities and Place

Actions to support thriving and district communities, vibrant town and rural centres, promote heritage and culture, and to encourage greater community involvement in economic development, including exploring opportunities for asset transfer, plural ownership, and social enterprise.

Proposed Actions:

Land and Asset Review and Asset Transfer Action Plan - East Lothian Council and other Anchor Institutions should undertake a review of their assets and land that includes current ownership/use, agreed investment plans and future aspirations/needs. The reviews should seek to identify opportunities to use these assets in a more effective way and for potential sustainable transfer to others. A review should also be undertaken to identify land in East Lothian that is not owned by ELC or Anchor Institutions that has the potential to be utilised to build community wealth. Following this, develop an Asset Transfer Action Plan (based on the outcome from the Land & Asset review) to accelerate the sustainable transfer of assets to Social Economy Organisations including employment spaces, visitor assets, and community and cultural assets.

Develop an appropriate mix of housing - Support the delivery of the Council's LHS to ensure that the local housing system delivers economic development. This may include the development of community led and place-based approach to housing investment; and actions to stimulate the supply of affordable & mid-market; first time buyer; rural and short term let accommodation. Investigate the economic impact, benefits, and disbenefits of the EL housing system.

Place Based Regeneration - Town Centres - Support and reinforce our town centres through considered and coordinated regenerative activity, including heritage-led regeneration activity within conservation areas. Consider how to secure funding and develop and prioritise investment and regeneration plans for towns and villages in conjunction with the development of LDP2 and Local Place Plans.

Maximise Benefit of MFPS - Work to secure economic benefit from the Musselburgh Flood Protection Scheme, including local supply chain, community benefits in procurement, active travel and transport, and additional regeneration outcomes for Musselburgh town centre.

4. Infrastructure

Actions to improve East Lothian's public transport, road and rail infrastructure, broadband, and mobile connectivity; and, to ensure that the development of community and utilities infrastructure keeps pace with the rate of house building and industrial development.

Proposed Actions:

Cockenzie Site - Develop and implement a technical masterplan for the Cockenzie site, exploring opportunities to develop the site for net zero energy and economic / employment development, as well as a wider access, greenspace and landscape framework for the site. Technical study will reflect opportunities and constraints of the site and identify potential development parcels and servicing/infrastructure requirements and subsequent costs.

Blindwells sites - Oversee the development of the employment space elements associated with the current allocated Blindwells site (BW1) ensuring this leads to a sustainable place-making with high-value employment opportunities for residents, recognising this need complement delivery at the nearby Cockenzie site. Into the longer term, consider the benefits of an expansion of Blindwells as a location where strategic employment opportunities may be delivered.

Edinburgh Innovation Hub and Park - Delivery of the Edinburgh Innovation Hub and the wider Edinburgh Innovation Park on land next to Queen Margaret University. Support the delivery of the Edinburgh Innovation Hub, and the future development the wider Edinburgh Innovation Park on land adjacent to the QMU campus that will attract and support innovation-led enterprises.

New strategic sites - Work with site owner/operator, national agencies, and local communities to develop a phased plan for the regeneration of new strategic sites as and when these become available. This could potentially include the Torness Power Station once it enters decommissioning in 2028; land around Tarmac; and the sustainable redevelopment of ELC sites such as Prestongrange Heritage Park and Levenhall with a focus on commercialisation and revenue development.

5. Developing Key Sectors

Actions to support a successful and sustainable visitor economy; to continue development of the area's food and drink sector; to target innovation and opportunities in the clean energy sector; and to improve provision of healthcare, social care, and childcare.

Proposed Actions:

Visitor Levy Feasibility - Undertake feasibility research and consultation to explore the cost / benefits and potential opportunities of implementing a visitor levy scheme as a mechanism for funding future visitor economy activity and other core support services / infrastructure provided by ELC.

Net Zero Skills Accelerator - Work with Edinburgh and South East Scotland Regional Prosperity Framework partners to assess the feasibility of establishing a Net-Zero Skills Accelerator Hub location in East Lothian. This would address green skills requirements in a variety of sectors and to grasp future 'green' job opportunities, including in renewables, retrofit, agri-environment, wider land-use, and nature.

Heating & Powering Businesses and Communities - Support the delivery of the actions in the Local Heat & Energy Efficiency Strategy which have the potential to support economic development in East Lothian. These include the opportunities to develop heat networks and associated jobs and supply chains.

East Lothian Food, Drink, Hospitality & Leisure Sector Development Programme - Develop targeted interventions to support food, drink, hospitality & leisure sector businesses to access new markets, including building partnerships between local providers, public sector organisations and visitor destinations, and routes to market to showcase opportunities for East Lothian, attractions, businesses, and produce.

Agritourism - Work with the sector to promote and advise those already operating or interested in diversifying into agritourism. Ensure that work to develop the next Local Development Plan considers how such developments can be enabled. Provide advice to support farm businesses who are looking to diversify into other sectors, including retail, hospitality, and accommodation (including short-term letting to grow bedstock).

Cycling & Walking Tourism - A programme to support businesses to enhance their cycling and / or walking tourism facilities. This could include investment in new secure covered cycle / walking kit storage; new open cycle parking, sheltered cycle parking; drying rooms / boot cleaning; enhancement to existing cycle / walking product offer; and e-bike charging facilities. Work to maximise the potential of existing routes and product and link to the Regional Prosperity Framework and enable opportunities for cycling and walking tourism to be factored into any wider infrastructure development.

Appendix A Community Wealth Building Charter

East Lothian Community Wealth Building Charter

Community Wealth Building is a people-centred approach to local economic development. It redirects wealth back into the local economy, helps to address inequalities and puts control and benefits in the hands of local people.

Community Wealth Building uses the economic levers available to Anchor Institutions to develop resilient, inclusive local economies with more local spend and fair employment, as well as a larger and more diverse business base, ensuring that wealth is more locally owned and benefits local people.

Anchor Institutions are tied to a particular place by their mission, histories, physical assets, and local relationships. They are organisations that have an important presence in a place, usually through a combination of being largescale employers, the largest purchasers of goods and services, controlling large areas of land and / or fixed assets in the locality.

Examples of Anchor Institutions include local authorities, NHS Boards, universities and colleges, large local businesses, the combined activities of the community and voluntary sector and housing associations.

Anchor Charter Mission Statement

To commit to long-term collaboration between East Lothian Anchor Institutions, supporting shared Community Wealth Building goals to improve collective wellbeing and create a strong, resilient, and inclusive local and regional economy. This includes a commitment to the embedding of Community Wealth Building principles and reporting on progress to the East Lothian Partnership.

The Partnership will:

- work with, and encourage, wider local and regional Anchor Institutions in Community Wealth Building initiatives.
- share highlights, success stories and promote best practice among Anchor Institutions and stakeholders.
- monitor the implementation of the East Lothian Community Wealth Building Charter
- review policy and practice to deliver a more inclusive economy.

We commit to this Anchor Charter to deliver Community Wealth Building in East Lothian through these Pillar Purposes, Objectives, and Pledges

Pillar Purpose	Pillar Objective	Pledges
Procurement: We commit to using our spend to support a diverse local business base		
Maximise economic, social, and environmental benefit for the community through development of effective local supply chains comprising local SMEs, employee-owned businesses, social enterprises, cooperatives, and other community owned enterprises.		Commit to undertaking supply chain and spend analysis and work towards increasing local spend where possible.
		Proactively engage with other Anchor Institutions to align procurement strategies and to identify and progress joint procurement opportunities, whilst supporting local businesses to bid and respond to these opportunities.
Fair Employment: We commit to being a fair employer		
Create fair and meaningful employment opportunities by paying the living wage, recruiting from, and supporting people from priority groups into fair and sustainable employment, and building progression routes for workers.		Work towards becoming a Scottish Living Wage accredited employer.
		Seek to recruit locally and from priority groups where appropriate e.g. young people, people with long-term health problems, people experiencing poverty, people with caring responsibilities.
		Commit to providing secure, safe employment, addressing wage gaps (gender, racial or ethnic, age, disability) and developing strategies for in-work progression and wellbeing support for all.
		Follow the Fair Work Convention ensuring workers have an Effective Voice, Opportunity, Security, Fulfilment, and Respect.
Land and Assets: We commit to the productive use of our land and assets to support local communities and enterprises		
Support equitable land development and ownership models, including the imaginative use of assets for community and wider social and economic use.		Undertake an asset review to identify opportunities for Community Wealth Building.
		Proactively support communities who wish to use or develop underutilised assets.

Plural Ownership: We commit to supporting plural ownership of the local economy	
Advance inclusive economic ownership models such as local SMEs, employee-owned businesses, social enterprises, cooperatives, community enterprises and mutually owned companies and thus enable more wealth generated locally to stay within the community.	Proactively engage with communities to co-produce local services and initiatives.
	Commit to facilitate opportunities for local SMEs, employee-owned businesses, social enterprises, cooperatives, and community owned enterprises to participate within local supply chains.
Financial Power: We commit to harnessing and growing local wealth	
Increase flows of investment within local economies by harnessing wealth that exists and is generated locally.	Seek to invest in ethical, environmentally sustainable, local economic development opportunities.
	Support and promote progressive finance initiatives including local credit unions.
	Encourage staff and service providers to shop locally and ethically, supporting 'Keep it Local' campaigns.
Climate Change: We commit to tackling the climate and nature emergency	
Take immediate and sustainable action to reduce carbon and greenhouse gas emissions and tackle the nature emergency.	Commit to a timescale for achieving net zero carbon and greenhouse gas emissions.
	Support and encourage environmentally sustainable supply chains.
	Develop and support strategies to support sustainable communities and our natural environment and biodiversity through, for example, capital investment projects, active travel, sustainable energy generation.

Appendix B Summary of Approach

Stakeholders

In the vision statement above 'local economy stakeholders' refers to any organisation with the potential to support the delivery of this vision. It includes:

- All Council departments.
 - The six area partnerships.
 - Community Councils.
 - Community groups.
 - Elected representatives (Councillors, MPs and MSPs).
 - National agencies (including Skills Development Scotland; Scottish Enterprise; Zero Waste Scotland; VisitScotland; Play Scotland; and Scottish National Investment Bank).
 - Edinburgh and South East Scotland City Region Deal Partners (including City of Edinburgh Council; Scottish Borders Council; Midlothian Council; West Lothian Council; Fife Council; University of Edinburgh; and the Scottish and UK Governments).
 - Key employers and industry representative groups.
 - Local business, employability, and organisational support agencies (including Business Gateway; East Lothian Works; and Third Sector Interface).
 - Education providers (including schools; Queen Margaret University; and FE colleges in nearby Council areas).
 - Healthcare, social care, and childcare providers.
 - Tourism businesses (including visitor attractions; hospitality providers; and activity providers).
 - Landowners and developers.
 - Utility service providers.
 - Charities and social enterprises.
- 'People' refers to any individual who lives, works, or studies in East Lothian.
 - 'Communities' refers to any group of people in East Lothian who either live in the same area or share a common interest; and the organisations that represent them.
 - 'Enterprises' refers to self-employed individuals; companies; charities; and social enterprises.

Principles

The strategy is to be delivered in a way that is sustainable and fair, that builds community wealth, and contributes to an enterprising and resilient net zero transition. We provide more explanation of what is meant by each of these principles below:

Table A1: Principles Underpinning This Strategy

Principle	Examples
Enterprising	<ul style="list-style-type: none"> • Develop people and skills • Leverage and develop strategic assets

	<ul style="list-style-type: none"> • Enhance business support services • Active networking and innovation • Prepare for the future of work • Digital connectivity and data driven innovation
Thriving and Resilient	<ul style="list-style-type: none"> ▪ Spreading the benefits of our tourism and energy assets ▪ Retaining and supporting our young people ▪ Thriving and distinctive communities ▪ Conserving and managing natural capital ▪ Developing financially sustainable models of support ▪ Building resilience to future technological, environmental, demographic, and financial change
Community Wealth Building	<ul style="list-style-type: none"> ▪ Plural ownership of the economy ▪ Making financial power work for local places ▪ Fair employment and just labour markets ▪ Progressive procurement of goods and services ▪ Socially productive use of land and property
Green and Sustainable	<ul style="list-style-type: none"> ▪ A net zero and sustainable Council ▪ Promoting active travel and sustainable transport ▪ Energy efficient homes, buildings, and investment in green infrastructure ▪ Resource efficiency and a route to zero waste ▪ A low carbon, sustainable and green economy ▪ Creating a more circular economy ▪ A healthy and resilient natural environment ▪ Encouraging low carbon lifestyles
Fair	<ul style="list-style-type: none"> ▪ Improving access to healthcare, social care, childcare and early years support ▪ Fair and equitable access to employment opportunities ▪ Improving income equality and addressing the east-west divide ▪ Equal access to services and addressing the urban-rural divide ▪ Providing affordable, energy efficient and desirable homes for all ▪ Providing employment, housing, and leisure opportunities for all

Beneficiaries

The strategy sets out a shared vision to enhance East Lothian’s natural environment and give all East Lothian’s, people, communities, and businesses the support they need to reach their potential and achieve their goals. The table below provides details of how it will do this.

Table A2: The Four Beneficiary Groups This Strategy Will Support

It will help East Lothian’s environment by:	It will help East Lothian’s people by:	It will help East Lothian’s communities by:	It will help East Lothian’s businesses by:
<ul style="list-style-type: none"> ■ Promoting a culture of sustainable development that protects the biodiversity, landscape, and water resources (e.g. river conservation) that attracts people and enterprises to East Lothian 	<ul style="list-style-type: none"> ■ Increasing the number of people working in full time and higher skilled jobs ■ Improving pay, working conditions, and offering more meaningful work to citizens ■ Providing more flexible work opportunities at more accessible locations ■ Improve travel around East Lothian and surrounding area ■ Providing greater access to training and development opportunities for people at all life stages ■ Supporting sustainable destination management 	<ul style="list-style-type: none"> ■ Taking actions to help engage and empower communities to take on a greater role in shaping their future ■ Identifying and spreading good practice, and developing more innovative approaches to community ownership ■ Building strong and resilient towns and rural communities ■ Ensuring that people of all ages and socio-economic backgrounds have equal access to opportunities ■ Helping our communities become more connected, both digitally and physically 	<ul style="list-style-type: none"> ■ Increasing provision of flexible and accessible workspaces and commercial land ■ Helping businesses to innovate; grow; diversify and access new markets ■ Attracting new inward investment into East Lothian, with a particular focus on anchor businesses with potential to help develop local supply chains ■ Helping businesses attract and retain more local talent within East Lothian ■ Maintaining and growing East Lothian’s reputation for quality and supporting excellence in the key sectors of tourism, food and drink and renewable energy ■ Promoting a socially responsible business base with connected and circular local supply chains

Levers

East Lothian Council and its partners will deliver this strategy by making effective use of all the levers they have access to. These include:

Table A3: Levers Which Will Support This Strategy

Lever	Examples	Lever	Examples
Assets	<ul style="list-style-type: none"> ▪ Public estate and public infrastructure ▪ Natural capital ▪ Visitor infrastructure (assets and accommodation) ▪ People assets (innovation and enterprise) ▪ Scottish Government Local Visitor Levy ▪ Skills assets (schools, university, FE partnerships) ▪ Strategic sites (Cockenzie, Edinburgh Innovation Park, Edinburgh Innovation Hub, Blindwells) 	Innovation	<ul style="list-style-type: none"> ▪ Arms-length companies ▪ Community asset transfers ▪ Cooperatives ▪ Social Enterprises ▪ Business Improvement Districts
Connectivity	<ul style="list-style-type: none"> ▪ Travel (bus, rail, road, active travel) ▪ Transport hubs ▪ Broadband / fibre ▪ Mobile / 5G ▪ Utilities 	Investment	<ul style="list-style-type: none"> ▪ Capital and revenue ▪ Procurement and local markets ▪ Scottish National Investment Bank ▪ Private investors ▪ Grants and loans ▪ Energy Sector Community Benefit Payments ▪ Efficiency and energy savings ▪ Developer contributions ▪ UK and Scottish Governments
Partnering	<ul style="list-style-type: none"> ▪ The East Lothian Connected Economy Group ▪ Queen Margaret University ▪ Edinburgh College and Borders College ▪ Community Wealth Building Action Group ▪ Third Sector Interface ▪ NHS Lothian ▪ Scottish Police, Fire and Ambulance Services ▪ Community Planning Partnerships ▪ Key Employers ▪ Key Tourism Enterprises ▪ Strategic Landowners ▪ East Lothian Housing Association ▪ Community Councils and Community Groups 	Influence and Interest	<ul style="list-style-type: none"> ▪ Planning system (approvals process and Local Development Plan) ▪ Council strategies (Poverty, LHS, Local Heat and Energy Efficiency) ▪ Procurement policy ▪ Employment practices ▪ City Region Partnerships ▪ CWB Charter

REPORT TO: Cabinet

MEETING DATE: 12 March 2024

BY: Executive Director for Council Resources

SUBJECT: Civic Government Licensing Fee Review

6

1 PURPOSE

- 1.1 To inform Members of the results of the independent review of the Civic Government licensing fees.
- 1.2 To seek approval from Cabinet to set the Civic Government Fees as set out in this report.

2 RECOMMENDATIONS

- 2.1 Cabinet approves the proposed fees for the licences as set out in Appendix 2; and
- 2.2 Cabinet authorises the Service Manager - Governance to make any necessary alterations to application and guidance documentation required as a consequence of the updated fee levels agreed.

3 BACKGROUND

- 3.1 In terms of the Civic Government (Scotland) Act 1982, the Council is required to set licence fee levels such that the costs of running the licensing service are fully covered by the level of fee income received.
- 3.2 The previous review of costs and fees was undertaken circa five years ago so it is now considered necessary to review the fees for licenses to ensure these remain at an appropriate level. Given the legal obligation to ensure cost recovery, a robust and documented methodology has been applied to ensure accuracy and transparency in relation to the calculation of licence fees.
- 3.3 The fees for 2023/24 were frozen to allow this review to be undertaken and Arneil Johnston were commissioned in April 2023 to conduct a review of the

discretionary licensing fees, noting that statutory licences, including alcohol and gambling were out of scope for this review as these fees are set by the Scottish Government and these regimes are administered by the East Lothian Licensing Board, rather than the Council (these statutory licensing fees are set out in for information only at Appendix 3).

- 3.4 The first part of the review was to carry out a benchmarking exercise for discretionary licensing fees. Arneil Johnston researched all Scottish local authorities to establish the types of licensing fees that are in place, fee levels and duration of licences. These were then compared to ELC's fee levels, and a summary of the findings is shown in Appendix 1 of this report.
- 3.5 The review then sought to establish the costs associated with the delivery of the licencing service. Costs were determined by:
- Reviewing detailed budgets for the Licensing service for 2021/22, 2022/23 and 2023/24 as well as the financial outturns for 2021/22 and 2022/23 and agreeing the disaggregation of budgets relating to statutory and discretionary licences.
 - Establishing the various activities and volumes of activities undertaken by the licencing team and what percentage of staff time is typically spent delivering these activities.
 - Establishing and agreeing service, directorate and corporate overhead that are attributable to the licensing function and costing this to each fee type.
- 3.6 In establishing the level of fee to be set for each licence the licences were grouped into categories based on the processes involved in determining them and a standard fee was developed for those with a similar process. This ensures a consistency with the fees of licences with similar processes and allows the licencing team to quickly determine the fee to be set for any new licence by grouping it with licences which require a similar process to determine.
- 3.7 The review then analysed all budgets allocated to licencing then separated the costs attributable to different functions including Private Landlord Registration, Alcohol and Gambling Licensing and Civic Licensing. They then analysed the staff time and separated all licencing fees set by statute and the Private Landlord Registration, the latter sitting separate from the other licensing activities. The staff costs relevant to the licensing regimes were then considered with appropriate apportionment of staff time allocated to licencing costs. This included provision for a part time licensing Standard's Officer who would be able to focus on compliance of civic licensing matters and where appropriate also includes time spent by Environmental Health Officers reviewing, inspecting and reporting on applications. The fee also accounts for overheads (non-staff costs) attributable to the operation of the licensing service. It should be noted however that the fee set out does not include external fees that may be required for certain licences, such as veterinary fees, which may also apply to certain licences, and these would be recharged at cost to the applicant. The outcome of this exercise gave the fee levels set out in Appendix 2 and Cabinet is asked to approve the introduction of these fees with effect from 1st April 2024, i.e. for applications received from 1st April 2024 onwards.

3.8 In addition to the above considerations, it should be noted that not all licences are for a one year duration and consideration was taken in terms of multi-year licences. Most commonly, licences are granted for three years with the exception of the following which are only granted for one year:

- Animal boarding
- Market operator
- Full public entertainment licences
- Metal dealer and itinerant metal dealer
- Skin piercing and tattoo
- Window cleaner
- Taxi drivers and operators
- Lottery licence

Where there is discretion, annual licences are mainly granted on the recommendation from Police Scotland where they expect certain licensees to undertake annual checks given the nature of the work and potential public safety impacts.

3.9 As set out above the methodology for calculating the fees is based on the processes and time required by the licensing department to review, process and determine the license and where appropriate for certain licenses includes the cost for inspections by Environmental Health Officers. The fee review ensures that each particular license is not either subsidising or being subsidised by the fees for other licences. Accordingly, the proposed fees for a number of licences have decreased while others have been increased. In particular the fees calculated for Short Term Let Licensing Applications have significantly increased. These costs have been increased as we now have experience of the actual cost and complexity of processing these licenses together with the cost incurred as a result of an Environmental Health Officer inspecting the premises. The initial fee for these applications had to be set in advance of the new statutory regime coming into force and was based on a best estimate of the time that was believed it would take to process applications notwithstanding that the regime and applications had not been received at that point. Since then, we have now had experience of processing these applications and the time required to take these through to determination.

3.10 In order to ensure that the cost of the licensing service remains fully covered by the fees there are a number of considerations for applying uplifts on an annual basis. However, to ensure that the model remains relevant it is recommended that:

- Fees are inflated annually by the corporate budget assumption for other income
- The Council updates the model annually once budgets are approved and calculated fees are compared to the inflated fees levels
- Every five years the model is comprehensively updated to look again at processing times, overhead rates and fee groupings to ensure these are still fit for purpose
- New licences are assessed for time taken to process and assigned to the appropriate category.

And in addition, regular reviews are undertaken of

- The rationale for determining which fees are annual and which are multi year and agree an approach to setting differential fee levels for single or multi year licences
- The rationale for determining which fees are temporary and which are permanent and agree an approach to setting differential fee levels for temporary and permanent licences
- The rationale for determining which fees should have a sliding scale of fees levels depending on property size, capacity, ratable value etc. and agree an approach to setting differential fee levels
- The policy for setting nominal or free of charge licences and the rationale for this.

4 POLICY IMPLICATIONS

- 4.1 In fixing a scale of fees and other charges, the Council as Licensing Authority is complying with a statutory duty to ensure that its costs in administering these licences are fully covered by fee income.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the wellbeing of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial –The Council is required by the Civic Government (Scotland) Act 1982 to set licence fee levels such that the costs of running the licensing service are fully covered by the level of fee income received. Accordingly, there should be full cost recovery and no detrimental impact on finances for the service.
- 6.2 Personnel - The review seeks to include provision for an additional licensing standards officer to assist on compliance matters and work with Police Scotland on enforcement of civic licencing matters.
- 6.3 Other – None

7 BACKGROUND PAPERS

- 7.1 None

AUTHOR'S NAME	Carlo Grilli
DESIGNATION	Service Manager, Governance
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DATE	25 February 2024

Appendix 1

Benchmarking

		Benchmark Results			
Group	Licence	MAX	MIN	AVG	Current ELC Fee
1	HMO	£1,992.00	£308.00	£978.86	£504.00
	Zoo Parks	Benchmarking Not Available			£595.00
	STL	Benchmarking Not Available			£390.00
	Sexual Entertainment Venue	Benchmarking Not Available			£640.00
2	Late Hours Catering	£359.00	£120.00	£242.50	£272.00
	Second hand dealer	£1,600.00	£146.00	£368.48	£294.00
	Taxi Booking office	£1,312.00	£125.00	£439.12	£252.00
	Temp Market Op	£371.00	£150.00	£235.33	£167.00
	Petroleum	Set Fee			
	Temp PEL	£877.00	£53.33	£273.73	£211.00
	Full PEL	£1,984.00	£243.00	£665.50	£600.00
	Explosive Storage	Set Fee			
	Venison dealer	£671.00	£32.50	£152.88	£129.00
	Market Op	£1,080.00	£91.67	£339.81	£332.00
	Metal Dealer	£792.00	£62.67	£251.35	£294.00
	SP and Tattoo	£508.00	£6.67	£232.72	£263.00
	Itinerant Metal Dealer	£683.00	£46.33	£200.81	£294.00
	3	Taxi Drivers	£272.00	£37.67	£134.55
Taxi Operators		Benchmarking Not Available			£405.00
L&G Personal		Set Fee			
Lottery Licence		Benchmarking Not Available			£10.00
Charity collect		Benchmarking Not Available			£0.00
4	Street trader	£766.00	£140.00	£292.69	£294.00
	Animal boarding	£425.00	£69.00	£115.26	£138.00
	Window cleaner	£305.00	£45.00	£123.59	£89.00
	Temp Street trader	£187.00	£50.00	£98.60	£294.00
5	Pet seller	£436.00	£69.00	£195.55	£278.50
	Dog breeder	£477.00	£69.00	£210.52	£278.50
	Cat breeder	£477.00	£69.00	£200.01	£278.50
	Boat Hirer	£739.00	£41.00	£259.38	£220.50
	Performing Animals	New Licence- fees still to be set			
6	Occasional	Set Fee			
	Extensions	Set Fee			
	Minor	Set Fee			
7	Premises	Set Fee			
	Major	Set Fee			
8	Riding Est	£790.00	£69.00	£255.04	£278.50

Appendix 2

Licensing Fees

Licence type	Fee 2023/24 (£)	Duration	2024/25 proposal (£)	Duration
Private Hire Cars				
Driver	149	1 year	259	1 year
Grant and Renewal of vehicle	405	1 year	445	1 year
Early Renewal & Replacement	405		445	
Replacement or Substitute vehicle	141	28 days	89	
Replacement Plate (Front)	32		7	
Replacement Plate (Rear)	35		12	
Replacement Brackets (Front)	32		7	
Replacement Brackets (Rear)	35		11	
Replacement Drivers Badge	29		34	
Replacement Door Sign	31		5	
Grant/Renewal of Trailer	149	1 year	59	
Wheelchair Exemption Certificate	29	1 year	82	
Duplicate Licence	29		30	
Variation	69		89	
Taxis				
Driver	149	1 year	259	1 year
Grant and Renewal of vehicle	405	1 year	445	1 year
Early Renewal & replacement	405		445	
Replacement or Substitute vehicle	141	28 days	89	
Replacement Plate (Front)	32		7	
Replacement Plate (Rear)	35		12	
Replacement Brackets (Front)	32		7	
Replacement Brackets (Rear)	32		11	
Replacement Drivers Badge	29		34	
Replacement Door Sign	31		5	
Grant/Renewal of Trailer	149	1 year	59	
Wheelchair Exemption Certificate	29	1 year	82	
Duplicate Licence	29		30	
Variation	69		89	
Advertising:				
Internal	18	No Licensing Function		
External	60	No Licensing Function		

Superside	72	No Licensing Function		
Full Livery	90	No Licensing Function		
Advertising:				
Internal	18	No Licensing Function		
External	60	No Licensing Function		
Superside	72	No Licensing Function		
Full Livery	90	No Licensing Function		
Taxi Booking Offices				
Grant and Renewal	252	3 years	207	
Duplicate Licence	29		30	
Variation	69		89	
Late Hours Catering				
Grant and Renewal	276	3 years	269	
Duplicate Licence	29		30	
Variation	69		89	
Public Entertainment				
Grant and Renewal	600	3 years	311	
Multi-activity Indoor and Outdoor Facility	1714	3 years	311	
Duplicate Licence	29		30	
Variation	69		89	
Temporary Public Entertainment (numbers based on daily attendance)				
Temp Public Entertainment Licence – up to 500 persons	211	6 weeks	269	
Temp Public Entertainment licence 500 - 2000 persons	423	6 weeks	285	
Temp Public Entertainment licence 2001 - 5000 persons	635	6 weeks	301	
Temp Public Entertainment Licence - Over 5000	845	6 weeks	317	
Duplicate Licence	29		30	
Indoor Sports Entertainment				
Grant and Renewal	257	3 years	311	
Duplicate Licence	29		30	
Variation	69		89	
Tattoo & Piercing				
Grant and Renewal	263	1 year	404	3 years
Additional employees (each)	132	1 year	311	3 years
Duplicate Licence	29		30	

Variation	69		89	
Street Trader				
Grant and Renewal (per person)	294	3 years	269	
Duplicate Licence	29		30	
Variation	69		89	
Temporary Street Trader				
		Proposed to remove this option		
Grant	81	6 weeks	269	
Duplicate Licence	29		30	
Variation	69		89	
Knife Dealers				
Grant and Renewal	384	3 years	310	
Duplicate Licence	29		30	
Variation	69		89	
Venison Dealer				
Grant and Renewal	129	3 years	269	
Duplicate Licence	29		30	
Variation	69		89	
Metal Dealer				
Grant and Renewal	294	1 year	207	
Duplicate Licence	29		30	
Variation	69		89	
Itinerant Metal Dealer				
Grant and Renewal	294	1 year	207	
Duplicate Licence	29		30	
Variation	69		89	
Market Operator				
		1 year		3 years
Less than 50 traders	332		310	
More than 50 traders	586		removed	
Duplicate Licence	29		30	
Variation	69		89	
Temporary Market Operators				
		6 weeks		
Less than 50 traders	167		269	
More than 50 traders	283		331	
Duplicate Licence	29		30	
Variation	69		89	

Window Cleaners				
Grant and Renewal	89	1 year	207	
Duplicate Licence	29		30	
Variation	69		89	
Second Hand Dealers				
Grant and Renewal	294	3 years	207	
Duplicate Licence	29		30	
Variation	69		89	
Temporary Second Hand Dealer		Proposed to remove this option		
Grant	81	6 weeks	207	
Duplicate Licence	29		30	
Variation	69		89	
Boat Hirer				
Grant and Renewal	298	1 year	310	3 years
Duplicate Licence	29		30	
Variation	69		89	
Temporary Boat Hirer		Proposed to remove this option		
Grant	151	6 weeks	310	
Duplicate Licence	29		30	
Variation	69		89	
Animal Licences				
Pet Seller - Grant	194	1 year	403	3 years
Pet Seller - Renewal	205	1 year	403	3 years
Rehoming Activities - Grant	194	1 year	403	3 years
Rehoming Activities - Renewal	205	1 year	403	3 years
Animal Welfare Establishment (unless registered charity) - Grant	194	1 year	403	3 years
Animal Welfare Establishment (unless registered charity) - Renewal	205	1 year	403	3 years
Dog Breeder - Grant	194	1 year	403	3 years
Dog Breeder - Renewal	205	1 year	403	3 years
Cat Breeder - Grant	194	1 year	403	3 years
Cat Breeder - Renewal	205	1 year	403	3 years
Rabbit Breeder - Grant	194	1 year	403	3 years
Rabbit Breeder - Renewal	205	1 year	403	3 years
Duplicate of Pet Seller/Breeder /Rehoming Activities/Animal Welfare Est.	28		30	
Variation of Pet Seller/Breeder /Rehoming Activities/Animal Welfare Est.	145		89	
Dangerous Wild Animals	138	1 year	269	

Duplicate Licence	29		30	
Variation	69		89	
Zoological Parks	595	4 years	1,067	
Duplicate Licence	29		30	
Variation	69		89	
Riding Establishments	138	1 year	400	3 years
Duplicate Licence	29		30	
Variation	69		89	
Animal Boarding Establishment	138	1 year	269	
Animal Boarding (Use of Domestic Premises)	69	1 year	269	
Animal Boarding (Day Care)	138	1 year	269	
Duplicate Licence			30	
Variation			89	
Performing Animals		Lifetime		
Houses in Multiple Occupation		3 years		
3-5 Residents	504		1,067	
6-10 Residents	811		1,083	
11-20 Residents	1240		1,099	
21-30 Residents	1489		1,115	
31-40 Residents	1730		1,131	
41-50 Residents	1981		1,147	
51-75 Residents	2594		1,179	
76-100 Residents	3214		1,211	
101-200 Residents	4447		1,243	
201 + Residents	5681		1,275	
Additional Inspections after Initial (Per Officer)	59		62	
Change of Ownership (Prior to Grant)	178		89	
Change of Day to Day Manager or Agent	178		89	
Change of Maximum Occupancy Level	178		89	
Change to Physical Layout of Property	178		89	
Duplicate Licence	29		30	
Caravan Licence (Residential and Touring)		5 years (residential) / Lifetime (Holiday)		
01-25 caravans	578		1,067	
26-50 Caravans	933		1,099	
51-100 Caravans	1690		1,131	
101 + Caravans	1890		1,163	
Duplicate Licence	29		30	
Variation Licence	69		89	
Transfer licence	69			
Short-term Lets		3 years		

1 - 5 occupancy	390		1,067	
6 - 10 occupancy			1,083	
11 - 20 occupancy			1,099	
21 - 30 occupancy			1,115	
31 - 40 occupancy			1,131	
41 - 50 occupancy			1,147	
51 - 60 occupancy			1,179	
Duplicate Licence			30	
Variation Licence			89	
Sexual Entertainment Venue		3 years		
Grant and Renewal			1,067	
Duplicate Licence			30	
Variation			89	
Public Charitable Collections				
	No income	Specified by applicant		

Appendix 3 Licensing Fees Set by Statute

Licence Type	Current Cost (£)	Duration	
Explosives (Statutory)			
With no minimum separation distance			
Storage of Explosives Registration – 1 year (Fireworks)	113		
“ “ “ - 2 years	147		
“ “ “ - 3 years	181		
“ “ “ - 4 years	215		
“ “ “ - 5 years	248		
Storage of Explosives Renewal - 1 year (Fireworks)	56		
“ “ “ - 2 years	90		
“ “ “ - 3 years	125		
“ “ “ - 4 years	158		
“ “ “ - 5 years	193		
With minimum separation distance			
Storage of Explosives Registration – 1 year (Fireworks)	193		
“ “ “ - 2 years	253		
“ “ “ - 3 years	317		
“ “ “ - 4 years	390		
“ “ “ - 5 years	441		
Storage of Explosives Renewal - 1 year (Fireworks)	90		
“ “ “ - 2 years	153		
“ “ “ - 3 years	215		
“ “ “ - 4 years	277		
“ “ “ - 5 years	340		
Variation	38		
Transfer	38		
Replacement	38		
Petroleum (up to a maximum of 10 years) (Statutory)			
Not exceeding 2,500 litres	46	1 year	
Exceeding 2,500 litres but not exceeding 50,000 litres	62	1 year	
Exceeding 50,000 litres	131	1 year	
Alcohol			

Transfer of Premises	37.50		
Minor Variation	20.00		
Minor Variation and change of Premises Manager	31.00		
Major Variation	200.00		
Major Variation and transfer of Premises licence holder	220.00		
Extended hours	10.00		
Occasional	10.00		
Personal	50.00		
Replacement Personal licence	25.00		
Replacement (other than Personal licence)	37.50		
Provisional	200.00		
Temporary Premises	200.00		
Alcohol Premises			
Category	Rateable value	Application Fee	Annual Fee
1	Members club	£200	£180
2	£1 - £11,500	£800	£220
3	£11,501 - £35,000	£1,100	£280
4	£35,001 - £70,000	£1,300	£500
5	£70,001 - £140,000	£1,700	£700
6	Over £140,000	£2,000	£900
Gambling			
<i>Family Entertainment Centre gaming machine</i>			
Grant and Renewal	300		
Copy of licence	15		
<i>Prize Gaming</i>	300		
Copy of licence	15		
<i>Club or Club machine</i>			
Grant	300		
Renewal	200		
Annual Fee	50		
Copy of licence	15		
Variation of licence	100		
<i>Licensed premises gaming machine</i>			
Grant	150		
Annual Fee	50		
Copy of licence	15		
Variation of licence	100		
<i>Automatic Entitlement notification</i>			
Grant	50		

<i>Small Lotteries</i>			
Grant	40		
Renewal	20		
<i>Society Registration</i>			
Grant	40		
Renewal	20		
Gambling Annual Fees			
Adult gaming centre premises	700		
Betting premises (track)	1,000		
Family entertainment centre premises	500		
Betting premises (other)	400		

REPORT TO: Cabinet
MEETING DATE: 12 March 2024
BY: Executive Director for Education & Children's Services
SUBJECT: Fostering Fee Increase

7

1 PURPOSE

- 1.1 To provide Cabinet with an update on fostering payments in East Lothian.
- 1.2 To seek approval to increase the foster carer fee to ensure the Council is:
 - Able to support more children to receive the care and support they require while continuing to live and belong in East Lothian.
 - Competitive with neighbouring authorities and better able to attract local people to apply to foster for East Lothian.
 - Supporting and valuing our existing foster carers and reducing the risk of carers leaving East Lothian to foster for neighbouring local authorities who have higher fees.
 - Able to increase our cohort of East Lothian foster carers to ensure the most vulnerable children can be cared for in local communities and retain connections to their networks and communities.

2 RECOMMENDATIONS

- 2.1 Cabinet is asked to note the content of the report and approve the proposed increase in foster carer fees.

3 BACKGROUND

- 3.1 Under Section 22 of The Looked After Children (Scotland) Regulations 2009, East Lothian Council operates as a fostering agency. This requires the council to appoint a fostering panel which has a statutory responsibility to consider and review the case of every foster carer and prospective foster carer referred to it by the local authority.

- 3.2 The fostering panel, amongst other decisions, must make a recommendation about whether a prospective foster carer is suitable, or continues to be suitable to be a foster carer. Once approved, the person, or people, become approved East Lothian Council foster carers.
- 3.3 When a child or young person is at risk of significant harm and it is not safe for them to remain in the care of their parent/s, our Children's Services team will always seek to find suitable family options to provide safe and loving care in the first instance. When there are no suitable family members available, we will seek a suitable East Lothian Council foster care placement as this type of care is the closest to a family setting as possible for the child.
- 3.4 When a child is placed with a foster carer, the carer receives two payments. The fostering fee is the money paid to the carer as their wage. A foster carer also received a fostering allowance, which is money paid to the carer for each child in their care. The allowance is the money to provide all essentials for the child.
- 3.5 In August 2023, the Scottish Government and COSLA agreed a national minimum amount for the fostering allowance. East Lothian will receive additional funding from the Scottish Government and work is ongoing to understand if this will result in any ongoing pressures despite the additional money.
- 3.6 It is widely accepted that there is a national fostering recruitment crisis across Scotland and East Lothian, is experiencing a decline in foster carer recruitment in line with the national trend. We are aware of examples of people who reside in East Lothian being recruited by other neighbouring authorities and independent fostering agencies.
- 3.7 At this time, we do not have sufficient East Lothian Council foster carers to meet the demand of children who require foster placements. Given that there are insufficient carers in East Lothian, Children's Services have to use independent fostering agencies at significant additional cost to the local authority. This can result in children having to reside outwith East Lothian which can cause further disruption and lead to poorer outcomes in the longer term. Using East Lothian Council foster carers is the most cost effective way of providing care to children who cannot reside within their families.
- 3.8 Financial projections demonstrate that increasing the cohort of East Lothian Council foster carers would lead to cost savings over time. Initially, there would still be a cohort of children in external foster care as it may not be in their best interests to move back to East Lothian. As external placements are phased out over time, the costs would transfer to internal fostering which would lead to better outcomes for children and cost less in the longer term.
- 3.9 Children's Services has been actively considering how to attract more local people to consider fostering as a career. The current fostering fee rate is

a barrier in attracting the right people to apply and also to retain the skilled and valued carer cohort.

3.10 East Lothian Council operates two systems for carers' fees. The older system is one with three levels where carers entered at level one and progressed to level two and three as their experience and training progressed. The newer system bases the payment on the age of the child with one payment being offered for children aged 0-11 and a higher payment for children aged 12 and over. This was implemented in 2017 to attract more people to care for teenagers but unfortunately this did not lead to an increase in carers for the older age group. Having two payment systems leads to some carers being paid differently.

3.11 Payment Comparison:

Age related weekly fostering fees by local authority (as at January 2023)

Local Authority	0-11	12 and over	Disability or specialist
West Lothian Council	£208.15	£208.15	N/A
City of Edinburgh Council	£171.67	£234.79	£429.20
East Lothian Council	£160	£220	N/A

Level related weekly fostering fees by local authority (as at January 2023)

Local Authority	Level 1	Level 2	Level 3
Scottish Borders Council	£173.16	£230.93	N/A
Midlothian Council	£231	£292	£343
East Lothian Council	£151.50	£202	£303

3.12 Having jointly reviewed the fostering payments with Finance Services, we propose a new payment structure. We would intend to adopt one payment structure but retain the distinct level three payment in recognition of foster carers' experience and the complexity of the children they look after. No further level three carers will be recruited, and this would be phased out over time.

3.13 The proposed new fee is £315 per week, with the existing level three carers receiving £365 per week.

3.14 As well as reviewing payments, Children's Services are reconsidering how carers can access support out with normal office hours. Evenings and weekends can be particularly difficult times for children and young people and a local service which can offer advice, guidance or support at these times would both support children and their foster carers as well as bringing East Lothian Council in line with independent fostering agencies who offer this as standard.

3.15 We also plan to review the approach to marketing with a view to expanding the reach across East Lothian. Children's services continue to work closely

with communications colleagues to diversify the approach and to learn from what works in other areas.

4 POLICY IMPLICATIONS

- 4.1 A change in fostering payments will require the current policy to be updated to reflect the new rates if agreed.
- 4.2 The developments discussed are in line with national policy, outcomes and strategic direction including The Promise.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 Not required at this stage.

6 RESOURCE IMPLICATIONS

- 6.1 Provision has been made for the proposed fee increase within the approved budget for 2024/25 onwards. The proposals will result in increased costs of £395,000 based on the current number of internal foster care placements, and this will increase further if the council is successful in recruiting additional foster carers. It is anticipated that the additional costs will be partially offset over the medium term through a reduction in spend on external foster care.
- 6.2 Personnel – no implications.

7 BACKGROUND PAPERS

- 7.1 Fostering update for PPRC June 2023 (The report can be viewed [here](#).)

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