

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

**TUESDAY 25 JUNE 2024  
VIA HYBRID MEETING FACILITY**

**1**

**Committee Members Present:**

Provost J McMillan (Convener)	Councillor N Hampshire
Councillor S Akhtar	Councillor C McFarlane
Councillor E Allan	Councillor C McGinn
Councillor R Bennett	Councillor G McGuire
Councillor L Bruce	Councillor S McIntosh
Councillor D Collins	Councillor K McLeod
Councillor F Dugdale	Councillor L-A Menzies
Councillor J Findlay	Councillor B Ritchie
Councillor A Forrest	Councillor T Trotter
Councillor N Gilbert	Councillor C Yorkston

**Council Officials Present:**

Ms M Patterson, Chief Executive  
Ms L Brown, Executive Director for Education and Children's Services  
Ms S Fortune, Executive Director for Council Resources  
Ms F Wilson, Director of Health and Social Care  
Ms L Byrne, Head of Children's Services  
Ms E Dunnet, Head of Finance  
Ms N McDowell, Head of Education  
Ms W McGuire, Head of Housing  
Mr R Montgomery, Head of Development  
Mr T Reid, Head of Infrastructure  
Ms C Rodgers, Head of Communities  
Ms E Barclay, Democratic Services Assistant  
Mr S Cooper, Team Manager – Communications  
Mr K Dingwall, Service Manager – Planning  
Ms P Gray, Communications Adviser  
Mr C Grilli, Service Manager – Governance  
Mr G Marsden, Project Manager – Growth and Sustainability  
Mr R MacDonald, Surveyor – Property Asset Review  
Mr M Nelson, Team Manager – Property Asset Review  
Mr P Vestri, Service Manager – Policy, Improvement and Partnerships

**Visitors Present:**

None

**Clerk:**

Mrs L Gillingwater

**Apologies:**

Councillor C Cassini

Councillor L Jardine

**Declarations of Interest:**

Item 2: For the purposes of transparency, Councillor Menzies advised that as a Board Member of EnjoyLeisure, she would be declaring an interest in this item, but that she would remain in the meeting.

Item 10: Councillor Forrest advised that he had an interest in this item and would leave the meeting.

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

The clerk recorded the attendance of Members by roll call.

Prior to the commencement of business, the Provost announced that this meeting would be the last Council meeting for Paolo Vestri, Service Manager for Policy, Performance and Organisational Development, who was retiring from the Council. The Provost commended Mr Vestri for his contribution to the work of the Council and for his assistance to Elected Members. On behalf of the Council, he wished Mr Vestri well in his retirement. Councillor Hampshire also paid tribute to Mr Vestri, commenting that he had produced many important policies and plans which the Council had implemented, highlighting in particular the Poverty Plan, which had made a real difference to communities.

**1. MINUTES FOR APPROVAL**

The minutes of the following meeting were approved, subject to the changes outlined below:  
East Lothian Council, 23 April 2024

Item 11 (Statutory Review of Polling Districts, etc.) – the votes of Councillors Bruce, Collins, Findlay and McGuire should be recorded as 'against' rather than 'abstentions'.

Item 16 (Applications for Common Good Funding) – the votes of Councillors Bruce and Jardine should be recorded as 'abstentions' rather than 'against'.

**2. FINANCIAL REVIEW 2023/24**

A report was submitted by the Executive Director for Council Resources providing an update on the draft financial position for the year ending 31 March 2024.

The Head of Finance, Ellie Dunnet, presented the report. She stressed that the figures within the report remained subject to audit and should therefore be treated as provisional at this stage. She highlighted the key aspects of the report, including: the closing position on the General Services Revenue account showed an overspend of £12.3m, including the Integration Joint Board (IJB) overspend of £3.1m and the planned use of reserves; the overspends had been partially offset by underspends in other services and additional Scottish Government

funding; it was expected that the IJB overspend would be contained within IJB reserves; the Council was being asked to approve a contribution of £0.75m to the IJB to support the move from analogue to digital services; and it was proposed that unspent Scottish Future Trusts (SFT) funding earmarked for use at Wallyford Learning Campus should be set aside for future use. Ms Dunnet also advised Members of fiscal flexibilities from 2023/24, with £14m to be earmarked for transformation. On capital spending, the gross spend was £51.1m, which was below the budget set. She highlighted the underspend at Wallyford Learning Campus, proposing that this unspent funding be used for the delivery of sports pitches at North Berwick High School. Concluding her presentation, Ms Dunnet advised that the Council continued to face financial challenges, with significant recurring pressures and that control measures would remain in place and kept under review. She confirmed that the Council would meet the statutory deadline for submission of the draft accounts to the external auditor.

Councillor Dugdale asked if the overspend in Children's Services was due to demands on that service. Ms Dunnet confirmed that this service faced external demand-led pressures, including the need to provide external placements. She acknowledged that it was a challenge to keep spending within budget when services were demand-led.

On the recommendation to transfer £230,000 from the Wallyford Learning Campus capital budget underspend to support the delivery of pitches at North Berwick High School, Councillor Menzies sought reassurance that this funding would not be required at Wallyford Learning Campus in the near future. Ms Dunnet confirmed that there was sufficient surplus to allow for these funds to support the delivery of the pitches in North Berwick.

Councillor Forrest asked if earmarked reserves would be in place for all new schools being built. Ms Dunnet made reference to the 5-year budget plan and the revenue costs associated with the new schools. At this time the only earmarked funding available was the SFT funding for the Wallyford Learning Campus, which would be drawn upon as required. She undertook to check the position regarding the new schools at Old Craighall, Whitecraig and Blindwells, but noted that if funding was available she would recommend that it be treated in the same way as the funding for Wallyford.

On the IJB, Councillor Akhtar asked if more detail could be provided as to the impact on the entire health and social care system had the overspend of £3.12m on care home placements and care at home services not been spent on those services. She also asked if a strategy to deal with population growth would be coming forward. Ms Dunnet advised that Health and Social Care colleagues would need to respond to the first question. On growth, she assured Members that the challenges facing East Lothian continued to be raised at every opportunity and that the recent report from the Scottish Government task force had been focused on depopulation rather than growth.

Councillor Hampshire spoke of the financial pressures faced by all Council services during 2023/24. He recognised the need to reduce overspends and operating costs whilst working to protect services during a period of growth in East Lothian. He thanked staff for their efforts during this challenging time.

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

## **Decision**

The Council agreed:

- i. to note the draft revenue and capital out-turn positions, that these are provisional and remain subject to audit;

- ii. to approve the creation of earmarked reserves for service concessions and Scottish Futures Trust funds for the Wallyford Learning Campus;
- iii. to provide a letter of guarantee to support the going concern assumption for EnjoyLeisure and Brunton Theatre Trust;
- iv. to approve the transfer of £230,000 from the Wallyford Learning Campus capital budget underspend to support the delivery of pitches at North Berwick High School;
- v. to approve an additional contribution of £750,000 to the IJB to fund the Analogue to Digital capital project (£100,000 for costs incurred during 2023/24 and a commitment to fund the remaining implementation costs up to £750,000);
- vi. to approve the updated budget mitigation measures set out in Section 3.30 of the report, noting that these would remain under review through the quarterly monitoring process; and
- vii. to note that the fiscal flexibilities for service concessions have now been applied in line with the decision by the Council in February 2024.

### **3. PROPERTY ASSET STRATEGY AND MANAGEMENT PLAN 2024-2028**

A report was submitted by the Executive Director for Place, seeking approval for the proposed Property Asset Strategy and Management Plan 2024-28.

The Head of Infrastructure, Tom Reid, presented the report, highlighting the property asset principles used to guide the Strategy and Management Plan. He advised that condition surveys were being carried out on Council-owned properties and warned that backlog maintenance costs over the next five years could be as high as £75m. With reference to the Management Plan, he noted that engagement would take place with staff, Members and communities.

Councillor Hampshire requested that the report be shared with Community Councils, Area Partnerships and other relevant organisations. Mr Reid assured him that it would be lodged as part of the Council governance and would therefore be publicly available and shared widely, as would other relevant information.

Councillor McIntosh questioned the absence of an Integrated Impact Assessment (IIA). She also asked for further information on the transfer of buildings to communities and on the cost of decarbonising the Council's assets. Mr Reid indicated that IIAs would be produced in due course, related to assets that are declared surplus and any impact future choices on use or disposal would have. On community transfers, he explained that solutions and development plans would be established for each asset, whether for community asset transfer or disposal. As regards decarbonisation, he indicated that the cost could be somewhere between £850m and as high as £1bn – this demonstrated the scale of the challenge, which he noted was a challenge for all Scottish local authorities. However, he assured her that there was a great deal of work going on in this area, including looking at the use of renewables. He noted that the figures given were based upon gross internal area (GIA).

Councillors Dugdale and Akhtar asked about the possibility of sharing spaces with other organisations, such as NHS Lothian and third sector groups. Mr Reid advised that the Council was taking a multi-agency approach to this matter, and that the Council would be working with a variety of partners and community groups. He added that a detailed consultation would take place with partner organisations. He also made reference to recent partnership working on

assets, such as the transfer of Fisherrow Community Centre and the restoration of North Berwick Harbour.

In response to a question from Councillor Menzies, Mr Reid pointed out that his team were working on mapping all assets, including community, privately held and volunteer-run assets, and that these would be included in the consultation. This would allow officers to consider where assets could be rationalised.

Opening the debate, Councillor Hampshire noted that this exercise was a substantial task given the large number of assets owned by the Council, as well as the costs involved. He stressed the importance of involving communities in the project.

Councillor McIntosh echoed those comments. On the decarbonising of assets, she cautioned against overestimating the costs involved so as not to deter people, suggesting that there were many ways of achieving net zero, including introducing district heating schemes and attracting private investment.

Councillor McGinn welcomed the proposed community engagement. He suggested that a flexible approach would be required for each area of East Lothian, depending on the levels of expertise within the various third sector organisations.

Councillor Forrest thanked officers for their work done in relation to Common Good assets and community asset transfers, which allowed buildings to be kept open and used by community groups.

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

## **Decision**

The Council agreed to approve the Property Asset Strategy and Management Plan 2024-28.

## **4. PROPOSED ARTICLE 4 DIRECTION FOR EAST LOTHIAN CONSERVATION AREAS**

A report was submitted by the Executive Director for Place seeking approval for a new Article 4 Direction for East Lothian's Conservation Areas.

The Chief Planning Officer, Keith Dingwall, presented the report, providing information on the relevant legislation associated with permitted development rights, in particular those associated with conservation areas. He explained that in East Lothian, there were two Article 4 Directions, dating from 1978 and 1981 that applied in defined areas within designated conservation areas. He made reference to a recent review of permitted development rights carried out by the Scottish Government, and changes made as a result of that review, with one such change relating to the replacement of existing windows in conservation areas (as set out in Sections 3.8-3.11). This change could mean that windows made from modern materials could potentially replace traditional timber windows on elevations visible from public places without the need for planning permission. He was of the view that in many cases such replacements would not enhance or preserve the character or appearance of conservation areas and would be contrary to the Council's policy on replacement windows. He recommended the approval of a new Article 4 Direction which would replace the two existing Directions and would bring under the planning control the ten specific classes of development outlined in Section 3.16 of the report, which includes replacement windows. He noted that a public consultation on this matter had been carried out, with four of the five responses received

being generally supportive of this proposal. Mr Dingwall advised that, if approved, the new Article 4 Direction would require to be submitted to Scottish Ministers for approval.

Councillor Bruce questioned how officers had considered balancing planning needs with the environmental benefits that the Scottish Government was seeking to achieve. Mr Dingwall explained that the environmental impact of planning decisions had to be weighed up against the Planning Authority's duty to ensure that the character of conservation areas was preserved or enhanced; however he believed that Class 7A would have a harmful impact on the character and appearance of conservation areas, noting that he had taken advice from the Council's Climate Change Officer on the proposed removal of Class 7A from this Article 4 Direction. He had also had discussions with Scottish Government planners on this matter, who had indicated that they were prepared to consider the proposal.

Councillor Trotter observed that the response rate to the public consultation had been very low. Mr Dingwall assured him that the consultation had featured on the Council's Consultation Hub, and that Community Councils and other community groups had been consulted.

Councillor Menzies asked about the appeals process for people who are refused planning permission to use modern materials in replacement windows. Mr Dingwall pointed out that, if approved by Scottish Ministers, planning permission would be required for replacement windows; if refused, they could appeal, and it would then be the Local Review Body or Department of Planning and Environmental Appeals which would determine the application. He assured her that the proposal was in line with legislation.

In response to a question from Councillor Findlay, Mr Dingwall advised that he had considered looking at conservation areas on an individual basis, but that it was felt that imposing the Direction on all conservation areas was justifiable.

Councillor Hampshire asserted that it was important to have controls within conservation areas in order to preserve and enhance them. He was supportive of the proposed measures.

Councillor McIntosh endorsed Councillor Hampshire's comments, remarking that there was a misunderstanding among the public that uPVC windows were better for the environment when in actual fact timber windows had the same thermal properties but were more environmentally friendly.

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

## **Decision**

The Council agreed:

- i. to approve a new Article 4 Direction for East Lothian's Conservation Areas, which would replace the existing Article 4 Directions; and
- ii. that the proposed Article 4 Direction be submitted to Scottish Ministers for approval, in accordance with the requirements of the Town and Country Planning (General Permitted Development) (Scotland) Order 1992.

## **5. JOINT INSPECTION OF SERVICES FOR CHILDREN AND YOUNG PEOPLE AT RISK OF HARM IN EAST Lothian COMMUNITY PLANNING PARTNERSHIP**

A report was submitted by the Executive Director for Education and Children's Services reporting on the outcomes of the Joint Inspection of Services for Children and Young People at Risk of Harm in East Lothian Community Planning Partnership.

The Head of Children's Services, Lindsey Byrne, presented the report. She advised that the inspection had taken place over a six-month period and was carried out by the Care Inspectorate, Health Care Improvement Scotland, HM Inspectorate of Constabulary Scotland and Education Scotland. She set out the process followed during the inspection, noting that the inspectors met with c. 130 staff members as well as thirty-nine children and fifty-five parents. She highlighted the key strengths and areas of improvement identified (as set out in Sections 3.5 and 3.6 of the report) and reported that East Lothian had achieved the Grade of Very Good. She commented that the staff were delighted with the findings, and she commended the hard work of all those involved in the support and protection of children and young people in East Lothian.

Councillor McIntosh asked why the waiting list for Children and Adolescent Mental Health Services (CAMHS) in East Lothian was shorter than in other areas. She also asked about the process should an applicant turn 18 while they are still on the waiting list. Ms Byrne explained that the waiting list in East Lothian was shorter due to the joint working arrangements which provided a single point of access; not all areas work in this way. She further advised of the strong collaboration between CAMHS and other support workers within the Council, although this did not cover all the services provided by CAMHS, for example clinical treatment. She added that when an applicant turns 18, they would require adult services, but that the Council and NHS Lothian worked together on the transition arrangements.

Councillor McFarlane welcomed the report and the positive collaboration between services, which had improved outcomes for young people and carers.

Councillor Dugdale paid tribute to all those involved in the inspection, particularly as it took place during a challenging period. She highlighted the key strengths set out in the report, including leadership, strategic approach, the development of projects and the single point of access. She commended the dedication and professionalism of staff working in this area and for their support of children and young people with complex needs.

Councillor Ritchie also welcomed the report and looked forward to further improvements being implemented. She also highlighted the benefits of having a single point of access. She thanked Council staff and partners for their hard work.

Echoing comments already made, Councillor McGinn thanked in particular the young people who had contributed to the inspection. He also paid tribute to third sector organisations for their work with children and young people.

Councillor Akhtar requested that a communication be issued to all those involved in the inspection to thank them for their work.

### **Decision**

The Council agreed:

- i. to note the contents of the Inspection Report (as set out in Appendix 1 to the report), including the evaluation of very good (major strengths) for the evaluation of the impact on children and young people;

- ii. to note that inspectors have confidence in the Partnership's multi-agency approaches to support and protect children at risk of harm;
- iii. to note that the Care Inspectorate and its scrutiny partners are confident that the partnership in East Lothian has capacity to make changes in the areas which require improvement; and
- iv. to congratulate and thank staff from across the East Lothian Partnership on a positive inspection and on the key strengths identified by the inspection team

## **6. RESPONSE TO BOUNDARY COMMISSION REVIEW**

A report was submitted by the Executive Director of Council Resources seeking ratification of an alternative proposal for constituency alignment, submitted to the Boundary Commission for Scotland (known as Boundaries Scotland).

The Service Manager for Governance, Carlo Grilli, presented the report. He highlighted an error in the report at Section 3.3, the last sentence of which should read: 'It instructed the Leader of the Council to further develop and put forward representation agreed in the meeting on behalf of the Council to Boundaries Scotland.' Mr Grilli reported that Councillor Hampshire had since written to Boundaries Scotland as regards the Council's position, as instructed, and that he had also submitted an alternative proposal, which, due to the deadline, could not be brought before Council prior to being submitted. He therefore proposed that the alternative proposal be ratified by Council, following which he would confirm the Council's position with Boundaries Scotland.

Councillor McIntosh observed that the alternative proposal would have an impact on Craigentenny and Duddingston and asked if there had been any consultation with those communities.

Councillor Hampshire informed the Council that he had not had time to consult with those communities due to the timescales for submission. He reminded Members that the Council had not been in favour of the Boundaries Scotland proposal and that it was of the view that Tranent should remain within East Lothian. He had looked at various options; however, the options involving Midlothian and Scottish Borders would not have worked. Therefore, the only option that may be acceptable to Boundaries Scotland involved putting Musselburgh, Whitecraig and Wallyford into East Edinburgh, along with Duddingston. He mentioned that his letter had highlighted the community links between Musselburgh, Whitecraig and Wallyford as well as links between East Edinburgh and Musselburgh. He pointed out that he had shared the alternative proposal with group leaders – the SNP had indicated support, but the Conservatives were not supportive; this was made clear in the letter to Boundaries Scotland. He had also indicated to group leaders that the alternative proposal would then be brought to Council for ratification, and that the Council's position would be submitted to Boundaries Scotland afterwards.

In response to questions and concerns raised by Councillor Bruce as to who had been involved in preparing the alternative proposal and what exactly had been submitted to Boundaries Scotland, Councillor Hampshire advised that MSPs from different political parties had been involved (through Martin Whitfield MSP), but he was unable to name those involved. He emphasised that the Council's aim was to retain Tranent within East Lothian, and that the only way to make that possible would be to alter boundaries within Edinburgh. Mr Grilli clarified that the details of the original motion agreed by Council had been submitted to Boundaries Scotland alongside the alternative proposal, but it was clear that the alternative proposal would be subject to ratification by the Council. He confirmed that Councillor Hampshire had followed the direction of the Council, and so there was no breach of Standing Orders.



Councillor Menzies also raised concerns about the submission. She asked if Councillor Hampshire had been requested to submit an alternative proposal. Mr Grilli confirmed that the original motion was the direction of the Council, but that the alternative proposal was also submitted to Boundaries Scotland as it had support from the majority of Members, albeit it would still be subject to ratification by the Council.

Councillor Menzies commented that she had supported the alternative proposal with the caveat that all local politicians would be consulted, including those in other local authority areas. Councillor Hampshire reiterated that he had not had direct discussions with other politicians [other than Martin Whitfield MSP]. He stressed that the alternative proposal had been drawn up with the purpose of retaining Tranent in East Lothian, which was the Council's view, and that he was seeking to achieve this direction. He remarked that it was for others to object to or support what he had proposed.

Councillor Menzies voiced her objection to the alternative proposal being submitted without discussions with politicians in other areas taking place. She stressed that she wanted to retain Tranent, and other areas within her ward, in East Lothian; however, she had concerns that the alternative proposal would create problems for other areas and so she could not support it.

In response to a question from Councillor Ritchie, Mr Grilli explained that Boundaries Scotland would consider the Council's response and determine if representations were significant enough to justify a further consultation. However, he was unsure if, due to the timescales, further consultations could be accommodated prior to the boundaries being finalised.

At the request of Councillor Trotter, the Provost adjourned the meeting to allow for political groups to discuss this matter further.

On reconvening, Mr Grilli set out the process to be followed by Boundaries Scotland, noting that local ties and elector numbers would be taken into account when redrawing boundaries. He indicated that East Lothian was too large to be one constituency, and that it was too small to be split into two [without impacting other areas], in order to be compliant with Boundaries Scotland's parameters. Due to the timescales, he advised that it would not be possible to continue this report to a future date.

Opening the debate, Councillor Trotter stated that, while his desire was to retain Tranent, Wallyford and Whitecraig within East Lothian, the SNP Group could not support the submission of the alternative proposal on the basis that other affected areas had not been consulted on it.

Councillor Bruce expressed his concern at the way in which this matter had been handled, noting that the Conservative Group had put forward suggestions at an earlier stage that had not been taken forward. He claimed that Councillor Hampshire, in conjunction with Martin Whitfield MSP, had acted against the direction of the original motion, and that the alternative proposal did not best represent the interests of those living in Musselburgh, Wallyford and Whitecraig, due to the lack of community links. He was of the view that those areas were being 'sacrificed' to protect Tranent, and that other options could have been considered, such as creating three constituencies covering East Lothian and Midlothian, which would not encroach on Edinburgh at all, and which would also accommodate future growth in East Lothian.

Whilst admitting to not having strong feelings on this matter, Councillor McIntosh felt uncomfortable approving the alternative proposal without other areas being consulted beforehand. She stated that she would abstain.

Councillor Menzies remarked that the original proposal and constituency name change put forward by Boundaries Scotland were 'ridiculous'. However, she felt unable to support the alternative proposal due to the lack of consultation with the other areas affected. She would therefore abstain.

Councillor Forrest remarked that the proposal would result in similar boundaries as those in place 30 years ago. He voiced his disappointment at Members abstaining on this matter, especially those representing Musselburgh. He was supportive of the alternative proposal, noting that Councillor Hampshire had done his best to find a solution within a tight timeline.

Speaking in support of the alternative proposal, Councillor Dugdale disagreed with the view that the Council was imposing a decision on other areas, asserting that the Council was simply putting forward a proposal to Boundaries Scotland. On the implication that Members had not had an opportunity to comment on the alternative proposal, she argued that it had been circulated to Members for their views in advance of it being submitted. She was supportive of Councillor Hampshire's actions.

Councillor Akhtar echoed these comments, adding that voting against ratifying the alternative proposal would effectively mean that the Council would be withdrawing its submission and losing the opportunity to keep Tranent in East Lothian.

Councillor Menzies asked for clarification on what would happen should the Council vote against ratifying the alternative proposal. Mr Grilli confirmed that the alternative proposal would be withdrawn, but not the submission in respect of the original motion.

Councillor Hampshire concluded the debate by stressing that the alternative proposal had been drawn up as a result of community representation, namely that the residents of Tranent were not supportive of the proposal to move the town out of the East Lothian constituency. He explained that following approval of the original motion, it had become clear that the Council's preferred boundaries would have an impact on the Scottish Borders area, and that it was unlikely that Boundaries Scotland would accept it. He argued that the alternative proposal would not have a significant impact on the people of East Edinburgh as they would still be within the City of Edinburgh Council boundary, and he felt that his proposal would allow Tranent to remain in East Lothian. He noted that for openness and transparency, he had shared his alternative proposal with other political groups, and that the SNP and Councillor McLeod were supportive, the Conservative Group opposed it, and Councillor McIntosh did not provide a view – this position was made clear in his letter to Boundaries Scotland. He pointed out that it was now for Boundaries Scotland to determine if the alternative proposal would be workable. He called on Members to support it, in order that Tranent could remain part of the East Lothian constituency.

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

For (11):	Councillors Akhtar, Bennett, Dugdale, Forrest, Hampshire, McFarlane, McGinn, McLeod, McMillan, Ritchie, Yorkston
Against (4):	Councillors Bruce, Collins, Findlay, McGuire
Abstentions (5):	Councillors Allan, Gilbert, McIntosh, Menzies, Trotter

## **Decision**

The Council agreed:

- i. to note the Boundary Commission for Scotland consultation on the proposed new Scottish Parliamentary Constituencies is ongoing and the representation to this stage; and

- ii. to ratify the alternative proposal for constituency alignment that was submitted to the Boundary Commission as detailed in Section 3.6 and Appendix 1 to the report, noting that this could not be approved in advance as a consequence of the timing of the consultation period.

## **7. SUMMER RECESS ARRANGEMENTS 2024**

A report was submitted by the Executive Director for Council resources advising Members of the arrangements for dealing with Council business during the summer recess 2024.

The Clerk presented the report, advising that Standing Order 15.6 would be invoked at the close of this meeting, which set out the arrangements for dealing with urgent business of the Council during the summer recess. She highlighted the timelines for submission of summer recess business.

In response to a question from Councillor Bruce, the Clerk confirmed that to rescind any decision taken in accordance with Standing Order 15.6 within six months of the decision being taken would require a two-thirds majority.

### **Decision**

The Council agreed:

- i. to note the application of the recess business arrangements, in accordance with Standing Order 15.6, outlined at Section 3.1 of the report; and
- ii. to note that a summary of business carried out during the recess period would be brought to the Council meeting of 27 August 2024, and that copies of all reports approved during the recess period would be lodged in the Members' Library.

## **8. SUBMISSIONS TO THE MEMBERS' LIBRARY SERVICE, 8 APRIL – 9 JUNE 2024**

A report was submitted by the Executive Director for Council Resources noting the reports submitted to the Members' Library since the meeting of the Council in April 2024.

### **Decision**

The Council agreed to note the reports submitted to the Members' Library Service between 8 April and 9 June 2024, as listed in Appendix 1 to the report.

## **SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION**

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

### **Cockenzie Link Road**

A private report submitted by the Executive Director for Place seeking to increase the capital budget for the proposed Cockenzie Link Road was approved.

### **Application Common Good Funding**

An application for funding from the Musselburgh Common Good Committee was approved, with Musselburgh Athletic Football Club being granted £17,542.46 to resurface the access lane leading from Market Street to the Olivebank Arena in Musselburgh.

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**REPORT TO:** East Lothian Council

**MEETING DATE:** 27 August 2024

**BY:** Executive Director for Council Resources

**SUBJECT:** Draft Annual Accounts 2023-24

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**2**

## **1 PURPOSE**

- 1.1 To provide an update on the draft unaudited accounts for the Council and Group entities for the year ending 31 March 2024. In accordance with regulations, the unaudited accounts must be formally scrutinised by Members by 31 August 2024.

## **2 RECOMMENDATIONS**

- 2.1 Members are recommended to:
- Note that the draft annual accounts for the Council and its wider group, and the Dr Bruce Trust, have been submitted to External Audit prior to the statutory deadline of 30 June 2024.
  - Note that the accounts remain in draft pending the finalisation of the statutory audit which is expected to complete by November 2024.

## **3 BACKGROUND**

- 3.1 A report on the 2023-24 financial year end position, and draft accounts was considered by Council at its meeting on [25 June 2024](#) (Item 02). The report highlighted that the draft accounts would be submitted for audit in line with the statutory deadline of 30 June 2024, with formal Council consideration of the unaudited accounts to be undertaken after this.
- 3.2 In accordance with the requirements of the 2014 regulations, the unaudited accounts must be formally scrutinised by Members by 31 August 2024. To support this, a number of key elements have been undertaken:
- An Elected Member's Briefing pack has been issued to support and assist Members in this statutory duty by highlighting key information relating to the 2023-24 unaudited accounts and explaining relevant aspects of the Local Government financial framework.

- All Elected Members have access to the draft accounts which have been published in the Members' Library Service ([MLS 74/24 East Lothian Council \(Unaudited\) Accounts 2023/24](#)) and the opportunity to raise any significant questions or lines of enquiry to provide further clarity and understanding.
- In accordance with statutory requirements, the draft accounts were made available for public inspection for a 3-week period concluding 19 July 2024. No objections were received during this period.

#### **4 POLICY IMPLICATIONS**

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

#### **5 INTEGRATED IMPACT ASSESSMENT**

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

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – no direct financial implications arise from the submission for audit of the accounts. Audit fees are paid for the audit process.
- 6.2 Personnel – no direct personnel financial implications arise from the submission for audit of the accounts. The audit and public inspection process involve East Lothian Council staff support.
- 6.3 Other – None.

#### **7 BACKGROUND PAPERS**

- 7.1 Members Library Service – June 2024 – 74/24 East Lothian Council Draft Unaudited) Annual Accounts 2023/24  
[Agendas, reports and minutes | East Lothian Council](#)
- 7.2 Report to Council, 25 June 2024: Item 2 – Finance Review 2023/24  
[Agendas, reports and minutes | East Lothian Council](#)

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<b>DATE</b>	13 August 2024



**REPORT TO:** East Lothian Council  
**MEETING DATE:** 27 August 2024  
**BY:** Executive Director for Council Resources  
**SUBJECT:** Quarter 1 Financial Review 2024/25

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**3**

## **1 PURPOSE**

- 1.1 To provide an update on the in-year financial position at the end of June 2024.

## **2 RECOMMENDATIONS**

2.1 The Council is recommended to:

- Note the outcome of the Quarter 1 financial performance against approved budgets and the underlying financial pressures faced by the council.
- Note the additional funding received from the Scottish Government to meet specific policy initiatives.
- Note the range of ongoing intervention measures approved by Council.
- Note that financial review reports will continue to be reported to Council for scrutiny until the financial position improves.
- Note the update on the wider financial environment and current risks.
- Note the update on the Capital budget and Prudential and Treasury Indicators.

## **3 BACKGROUND**

- 3.1 Council approved the 2024/25 Financial Strategy and associated financial plans on and prior to 20 February 2024. The approved plans included the

requirement to use just under £3 million of reserves to balance the 2024/25 General Services budget.

- 3.2 The Council continues to operate in the most difficult financial climate with increasing demand and cost pressures which are resulting in significant financial pressures. The most significant of these relate to pressures in Health & Social Care Services delegated to the IJB, Children's Services, Homelessness, and the ability to deliver the scale of planned financial savings.
- 3.3 The Council continues to face a high number of significant financial and other risks, which may materialise over the remainder of the financial year, such as ongoing pay negotiations, and these risk areas will continue to be closely monitored.
- 3.4 The significance of these pressures continues to be reflected in the Corporate Risk Register where 'Managing the Financial Environment' remains the highest ever score risk being managed by the Council and continues to represent the key corporate priority risk.
- 3.5 Within this context, the Finance Service will continue to work with colleagues across services to manage expenditure commitments in 2024/25 and the future implications going forward.

#### **General Services Revenue Summary – Quarter 1**

- 3.6 The approved General Services revenue budget for 2024/25 included the following:
  - Planned expenditure commitments of £330 million to support service delivery.
  - A planned drawdown of £2.935 million from General Reserves.
  - Planned recurring service efficiencies of £7.925 million and the continued delivery of £2 million relating to the management of staffing budgets.
- 3.7 An analysis of the financial position across service groups is set out in **Appendix 1** with further details in the paragraphs below.
- 3.8 At Quarter 1, before applying planned use of reserves and significant one-off mitigations, there is a forecast overspend of £8.8 million (£994,000 to the end of Quarter 1).
- 3.9 The reported financial position for Quarter 1 includes the following:
  - The Council's approved budget reflected an increase of 3% in staffing budgets from 1 April 2024. Current projections reflect this position. Pay negotiations remain ongoing and any increase above this level will result in an additional unfunded recurring pressure with each additional 1% costing around £2 million.

- Additional funding of £7.080 million has been provided by the Scottish Government to fund national priorities.
- 3.10 Within the agreed budget for 2024/25, the Council has planned use of general fund reserves of £2.135 million, and planned use of earmarked reserves totalling £1.308 million.
- 3.11 The planned use of earmarked reserves for one-off funding totals £1.308 million split as follows:
- Planned use of Transformation Fund and other ring-fenced funds, £1.263 million
  - Planned use of Health & Social Care (IJB delegated services), £45,000 – this figure has been agreed with the IJB Chief Financial Officer.
- 3.12 The Council has received a VAT rebate of £1.4 million in relation to sports and leisure non-business going back several years. This claim was lodged in 2011 and was dependent on the completion of several court cases before being confirmed. This is a one-off benefit which will reduce the in-year budget pressure on a non-recurring basis.
- 3.13 Taking the planned use of reserves into account, the unplanned use of reserves is £4 million.
- 3.14 The main pressures are:
- IJB Projected overspend, £3.2 million – mainly due to pressures in commissioned care services, specifically external care homes and support services, as well as delays to delivering some of the planned savings within the timescales reflected in the budget. Active consideration of measures to mitigate these pressures are underway. The forecast overspend includes the elements relating to IJB budgets which it may be necessary for the Council to meet through additional contributions, if the overspend cannot be mitigated. This remains subject to ongoing discussion in the context of extremely limited reserve balances sitting within the IJB accounts.
  - Children's Services projected overspend, £1.8 million – mainly relating to external residential pressures. Work is ongoing to identify options in East Lothian for clients in external settings who could be brought back safely to the area.
  - Community Housing, £200,000 – this reflects increasing demand for services. The forecast spend on B&B accommodation is £2.755 million. Homeless presentations may come under further pressure when the current pause on evictions ends.
  - Savings assessed as unachievable in 2024/25, £2.1 million – see further information on progress on delivering efficiencies.
- 3.15 These pressures have been partially offset by:

- The VAT rebate, £1.4 million, noted in Section 3.12, above.
- Council Tax income, £700,000 higher than forecast – this is due to an increasing in dwellings.
- Staffing underspends, £1.4 million – this is the net position after adjusting for the £2 million staff turnover savings and is due to vacancies.

3.16 A large proportion of these pressures will be recurring beyond this financial year.

### Risks

3.17 There are several risks that may impact the financial position:

- No pay agreement has been reached with Trade Unions for 2024/25 and negotiations are ongoing. As noted in Section 3.9, the approved budget assumed a pay award of 3%. Every additional 1% will increase cost pressures to the Council by around £2 million if additional funding is not provided to meet these costs.
- There are risks to some existing revenue and capital funding streams, linked to ongoing negotiations around pay which may require these to be redirected, as well as current uncertainty around policy changes made by UK Government.
- Population growth and demographic change in East Lothian continue to pose significant ongoing challenges which are likely to remain and increase over the longer term based on current projections.
- The forecast assumes £4.5 million of teacher funding that has not yet been confirmed by the Scottish Government. This consists of £2.9 million specific grant which is linked to maintaining teacher numbers. At this stage there has been no agreement between COSLA and the Scottish Government on the conditions relating to the grant being paid. There is also £1.6 million of funding for teachers' pensions in the GRG assumptions that has not yet been confirmed.
- There remains a high risk that further children will need to be placed in external residential settings, and should these materialise the pressure in Children's Services will increase.
- There remains an increasing demand for homeless services and use of B&B accommodation. If this continues to grow then the pressure in Homelessness will increase.
- The forecast overspend assumes some slippage in the delivery of agreed savings; however, there is a residual risk to the delivery of the remaining savings, with further information set out in Section 3.20.
- The 2023/24 accounts remain subject to audit, and any material changes to the outturn position could impact on the availability of reserves to support financial resilience.

- Severe weather over autumn and winter could increase costs for the Council particularly in Infrastructure Services.

#### Approved Mitigations

3.18 At the 25 June 2024 Council meeting, the Council approved the following control measures which the Corporate Management Team is responsible for applying, they are:

- Recruitment – posts will only be filled if there would be an obvious detrimental impact on the three agreed short-term Council Plan priorities from not doing so and sign-off has been given by CMT and EMT. This may result in ongoing disruptions to service delivery and closure of Council facilities; bi-weekly recruitment will continue.
- All Council managers must operate within approved budget levels, preserving underspends where possible.
- Where a service is overspent or at risk of overspending, urgent financial recovery actions will be required to bring spending in line with approved budget levels.
- Use of agency staff should be kept to a minimum and should be kept under close review.
- Council officers will continue to work with partner bodies including the IJB to explore all options to try and mitigate overspends and ensure spending remains aligned to approved budgets.
- In-year financial review papers will continue to be reported to Council rather than Cabinet.

3.19 These control measures will remain under review throughout the financial year.

#### 2024/25 Efficiencies

3.20 At this stage, £3.645 million of the approved efficiencies have been achieved; £2.2 million are assessed as achievable, but further work is required to realise the saving; £1.3 million are assessed as achievable but not in the current year; and £775,000 are assessed as unachievable. This means that around £2.1 million of savings won't be delivered in 2024/25. **Appendix 2** sets out the position in more detail. The unachievable efficiencies are set out below:

- Review of Adaptations, £275,000 – this saving cannot be delivered. A service review of Private Sector Housing Grant is being undertaken to identify options to deliver the savings from 2025/26.
- Income generation, £500,000 – it is not anticipated that this will be achieved during 2024/25; however, work is progressing to develop proposals, and should they be implemented then income will be generated in future years.

The savings that are achievable in time but won't deliver savings this year are:

- Charging for Garden Waste Collection, £132,000 – due to the timing of the introduction of the service, July 2024, a full year of income won't be achieved in 2024/25. Based on uptake, the full income target will be met in 2025/26.
- Review of Management of Sports Facilities, £187,000 – work is ongoing to deliver this saving, but the timing means it will only be fully delivered in 2024/25.
- Asset Review, £1 million – work is ongoing and in time savings that meet the target are expected to be delivered.

3.21 In addition to the above, there is an ongoing pressure of £300,000 linked to the non-delivery of a saving planned for 2023/24, to review public holidays. This remains under review.

#### Council Tax

3.22 At this stage, there is a forecast surplus in the Council Tax budget of £700,000. This is mainly due to an increase in the number of dwellings at the start of the financial year.

3.23 The forecast also assumes a number of dwellings will be completed during the financial year and any changes to that will have an impact on the position.

#### Additional Scottish Government Funding

3.24 Since Council approved the 2024/25 budget in February 2023, there has been additional funding of £7.080 million from the Scottish Government. This is set out in more detail in **Appendix 3**.

3.25 Of the additional funding received, approximately £5m will be transferred to the IJB to fund the delivery of policy commitments within Health and Social Care. These funding streams are to support existing commitments or specific national policy objectives so they cannot help alleviate wider pressures on the Council's financial position.

#### Integrated Joint Board

3.26 The IJB has delegated authority over the majority of the Health and Social Care budget along with a small number of other budgets within Community Housing, the Housing Revenue Account and Housing Capital. The management of these resources remains in line with the Scheme of Integration and wider overall IJB resources.

3.27 At this stage, there is a £3.2 million pressure forecast for the IJB. The main reason for the pressure is forecast overspend on Adult Social Work & Learning Disability commissioned services, as well as delays to the delivery of agreed savings. These are demand led areas of service.

- 3.28 The IJB Chief Officer has established a group to review progress with the service recovery plan and consider options to mitigate these pressures and reduce costs across the wider IJB operations. The Finance Service is involved in supporting this work.
- 3.29 The funding of the £3.2 million forecast overspend has yet to be determined by the IJB partners and represents a risk to the Council if the IJB is unable to offset these pressures from its own resources.

#### Financial Sustainability

- 3.30 The scale of the financial challenges facing the Council are unprecedented and present a significant threat to the Council being able to protect vital services and ensuring ongoing financial sustainability. The scale of the external pressures are now at a level that without significant additional funding the Council will not be able to continue to meet all existing commitments within available resources.
- 3.31 If the forecast overspend does materialise as projected, this will reduce the unallocated balance on general reserves below the minimum agreed level and require earmarked reserves to be repurposed in order to replenish this. This presents a risk to the Council's capacity to enable change and reshape service delivery in order to deliver planned savings.
- 3.32 The national settlement remains aligned to the delivery of wider national policy commitments and settlement conditions which means there is limited options available to redirect funding streams without an impact on the specific policy delivery.
- 3.33 Alongside these national commitments, East Lothian remains one of the fastest growing councils in Scotland with population growth continuing to increase year on year. The ongoing costs and demands of supporting this growth alongside wider challenges remain significant. Without changes in how the Council delivers services and prioritises investment, the financial position will become unsustainable.

#### **General Services Capital Summary – Quarter 1**

- 3.34 The approved budget for 2024/25 has been updated to reflect carry forward flexibility of £1 million from the closing position at the end of 2023/24, the outcome of which remains subject to the conclusion of the statutory audit. The carry forward is a mix of accelerated spend in 2023/24 and reprofiling of budgets into 2024/25. As a result of this, the external income updated budget is reduced by £3 million with a corresponding increase in borrowing of £2.5 million.
- 3.35 **Appendix 4** shows the approved and updated 2024/25 budgets and expenditure to 30 June 2024, showing spend of £18.5 million relative to the updated gross expenditure budget of £118 million.
- 3.36 Latest projections indicate expenditure of around £112 million by the end of the financial year. This forecast reflects a range of assumptions that are subject to change and may therefore have an impact on the actual position achieved at the end of the financial year. Whilst recognising the

significance of the capital programme, there remains a wide range of external pressures which place significant pressure on wider affordability limits.

- 3.37 The reduction in the projection is due to savings in projected outturns (notably for Law Primary nursery and Pinkie St Peters school) and some delays in projects. Some changes have been made to the format of **Appendix 4** to clarify the status of capital budget lines. In addition to the RAG flags, a P flag is now included within the appendix to identify projects where the variance is due to a change in spend profile, related to project progress.
- 3.38 Notable increases in projections relate to:
- Nature Restoration – increased following confirmation of Scottish Government Funding.
  - Cycling Walking Safer Streets – increased following confirmation of the 2024/25 grant. This budget line includes Cycling Scotland funded projects.
  - Ross High School – landscaping and ground condition works required post-extension completion.
  - Cockenzie – inclusion of projection for Link Road construction starting in 2024/25, as agreed by Council in June 2024.
- 3.39 The capital plan remains under close monitoring and review in conjunction with relevant managers.
- 3.40 Aligned to the Council decision in June, there is a commitment to fund expenditure of up to £750,000 in total to support Analogue to Digital implementation. This will be added to the capital programme when the anticipated expenditure profile is known.
- 3.41 The projection for developer contributions, early learning 1140 grant and other funding sources are directly linked to the projections of the projects they support. The town centre regeneration grant is expected to be confirmed at much lower than the indicative multi-year allocation under the Place Based Investment Programme, reflected in the RAG rating. There continues to be ongoing risks around the timing and realisation of planned developer contributions that may put additional strain on borrowing requirements and this position will continue to be closely monitored. Council also agreed as part of the 2023/24 budget that £20 million of capital receipts would be raised through the disposal of surplus assets to fund future capital investment and offset the borrowing requirement. While this ambition is considered to remain achievable, there are some risks to the timing of when these receipts will be realised, given that this is dependent on progressing the asset review.
- 3.42 The reduction in projected expenditure has reduced the in-year borrowing requirement projection by £7 million.



## Treasury Update

- 3.43 In accordance with the updated Prudential and Treasury Codes of Practice, in addition to the mid-year and year end reporting on Treasury activity and reporting of Prudential and Treasury indicators to Audit and Governance Committee, quarterly reporting on Treasury activity is required.
- 3.44 During the first quarter of the year, no external borrowing has been undertaken. In addition, no borrowing was repaid during this timeframe.
- 3.45 It is important to note that the borrowing requirement as reported in the GS and HRA capital monitoring is borrowing from the loans fund. The capital-financing requirement (CFR) shown in **Appendix 5** under items 1.2 and 1.3 is the financing still required after relevant grants and receipts have been applied, to fund the capital programme. This is known as the borrowing requirement. Loans Fund borrowing is then funded by external borrowing and the use of working capital. As this utilises the cash balances held by the Council, cash flow monitoring is an important part of the Treasury function and is a factor in determining the timing of external borrowing. Actual external debt is shown in item 2.3 and the Loans Fund debt is shown in item 3.
- 3.46 The Prudential, Treasury Management and Loans Fund indicators are set out in **Appendix 5**. For context, the 2023/24 Actual and 2024/25 Budget as per the approved Treasury Strategy as well as the projections for 2024/25 based on the Q1 position for General Services and HRA capital are shown.
- 3.47 Key points to note from the figures in the Appendix:
- The budget figures for 2024/25 were set based on in-year 2023/24 capital projections. The actual outturn was lower meaning the starting point for 2024/25 was also lower. General Services capital spend projection is lower than budget as is the Capital Financing Requirement (CFR). HRA is higher, however due to increased external grants the CFR projection is slightly lower.
  - The CFR will only start to fall when loans fund principal repayments are greater than the in-year borrowing requirement.
  - The Loans Fund follows the same pattern as the CFR. Due to the projected capital expenditure, loans fund advances are increasing above the principal repayment of loans fund debt.
- 3.48 Cash balances were healthy in the first quarter of the financial year. As investment rates have been higher than the interest rate on the Council's bank account balance, several short-term investments were placed. In summary:
- Ten short-term investments placed.
  - Maturity range, one day to three months

- Five investments with HM Treasury
  - Two investments with Lloyds Bank (one to mature in the second quarter)
  - One sustainable investment (to mature in the second quarter)
  - Two investments with local authorities (one to mature in the second quarter)
- 3.49 Cash flow continues to be closely monitored to ensure the Council has sufficient cash resources to meet ongoing requirements.

### **Housing Revenue Account Summary – Quarter 1**

- 3.50 The HRA is expected to breakeven at this stage. Voids remain high and work is ongoing to remedy this. Ongoing efforts to improve this position including enhanced contract management, investment in overtime to clear backlogs, measures to overcome challenges in relation to utilities and development of a performance management framework to monitor have resulted in a reduction in the overall volume of voids.
- 3.51 The budget is coming under pressure from reduced Scottish Government grants for new build council housing and work is ongoing to ensure the HRA strategy remains viable. **Appendix 6** sets out the revenue spend for the year.
- 3.52 Looking ahead, in order to meet the two key tests in the financial strategy, a £1 million minimum HRA balance and a debt-to-income ratio below 40%, adhering to the 5% rent strategy as a minimum is essential in order to maintain the proposed capital investment in modernising properties and building new Council houses. The 10-year model is under regular review, and the longer-term strategy continues to be an area of focus.
- 3.53 Capital spend at Quarter 1 was around £5 million with £31 million of spend forecast for the year. Further detail is set out in **Appendix 7**.
- 3.54 There remain significant challenges in delivering the programme due to a number of factors, including the removal of subsidy, shortage of labour resources, uncertainty in the housing market due to the current economic situation, and challenges in awarding and mobilisation of contracts.

### **Pressures, Risks and Impact on Future Years Budgets**

#### Pay Award

- 3.55 As noted earlier in the report, Trade Unions have rejected the level of pay increase that can be met from the current 202/25 budget provision which is 3%. Any settlement above this level is unfunded in 2024/25 and would be a recurring pressure in future years without additional funding from the Scottish Government.

### General Inflation

- 3.56 General inflation has been around 2% in recent months, and this is factored into the current budget modelling. Any increase in inflation will have an impact on Council budgets.

### Interest Rates

- 3.57 Interest rates have stopped increasing and have recently fallen by a quarter of a percentage point. Officers are continuing to update modelling to reflect changes in borrowing rates and to review the impact of this on revenue budgets and the affordability of the capital programme whilst developing options to mitigate the impact.

### Increased Demand for Services

- 3.58 With population growth and increasing need among other factors, demand for Council services continues to increase and this will potentially put budgets under further pressure, and this continues to be a significant area of risk for the Council.

### **Conclusion**

- 3.59 The Council continues to operate in a challenging, complex and ever changing financial environment. There is an overspend of £8 million in General Services revenue before applying mitigations much of it recurring. The affordability of the capital programme is also uncertain as material and contract costs increase and the cost of borrowing remains high. To help manage the financial position, it is critical to maintain any areas of underspend, enhanced vacancy management continues and further flexibilities and mitigations are identified.

## **4 POLICY IMPLICATIONS**

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

## **5 INTEGRATED IMPACT ASSESSMENT**

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

## **6 RESOURCE IMPLICATIONS**

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

6.3 Other – none

## 7 BACKGROUND PAPERS

7.1 Council – 12 December 2023 – Item 3 – Financial & Capital Strategies 2024-29

7.2 Council – 20 February 2024 – Item 2 – Budget Development including the setting of Council Tax and Council Housing Rent for 2024/25

7.3 Council – 20 February 2024 – Item 2a – Rent Proposals 2024/25 to 2028/29

7.4 Council – 20 February 2024 – Item 2b(i) – Budget Proposals on General Services Capital

7.5 Council – 20 February 2024 – Item 2b (ii) – Budget Proposals on General Services Revenue

7.6 Council – 20 February 2024 – Item 2b (iii) – General Fund Budget Projections

7.7 Council – 20 February 2024 – Item 3 – Treasury Management Strategy

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Appendix 1  
 East Lothian Council  
 Budget Monitoring 2024/25 - Quarter 1

Service	Head of Service	Business Unit	2024/25 Budget	Year to Date			2024/25 Budget Variance to Date	Financial Risk Assessment
				2024/25 Actual to Date	2024/25 Budget to Date	2024/25 Budget Variance to Date		
				£'000	£'000	£'000		
Education & Children's	Children's	Performance & Service Delivery	1,304	327	349	-22	-6.30%	
Education & Children's	Children's	Management	4,667	1,180	697	483	69.30%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,347	536	574	-38	-6.62%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	3,290	800	824	-24	-2.91%	
Education & Children's	Children's	TAC, Disability & Resources	8,207	1,663	1,695	-32	-1.89%	
Education & Children's	Children's	Disability Short Breaks	758	206	131	75	57.25%	
<b>EDUCATION &amp; CHILDREN'S</b>	<b>CHILDREN'S TOTAL</b>		<b>20,573</b>	<b>4,712</b>	<b>4,270</b>	<b>442</b>	<b>10.35%</b>	
Education & Children's	Education	Inclusion & Wellbeing	13,409	8,447	8,337	110	1.32%	
Education & Children's	Education	Pre-School Education	16,627	11,508	11,531	-23	-0.20%	
Education & Children's	Education	Primary Schools	57,261	2,539	2,877	-338	-11.75%	
Education & Children's	Education	Secondary Schools	59,831	10,102	10,137	-35	-0.35%	
Education & Children's	Education	Schools' Support	3,790	1,302	1,317	-15	-1.14%	
Education & Children's	Education	East Lothian Works	1,306	-245	-245	0	0.00%	
<b>EDUCATION &amp; CHILDREN'S</b>	<b>EDUCATION TOTAL</b>		<b>152,224</b>	<b>33,653</b>	<b>33,954</b>	<b>-301</b>	<b>-0.89%</b>	
<b>EDUCATION &amp; CHILDREN'S TOTAL</b>			<b>172,797</b>	<b>38,365</b>	<b>38,224</b>	<b>141</b>	<b>0.37%</b>	
Council Resources	Finance	Financial Services	3,817	153	198	-45	-22.73%	
Council Resources	Finance	Revenues & Financial Support	4,523	875	807	68	8.43%	
Council Resources	Finance	Procurement	1,235	236	263	-27	-10.27%	
<b>COUNCIL RESOURCES</b>	<b>FINANCE TOTAL</b>		<b>9,575</b>	<b>1,264</b>	<b>1,268</b>	<b>-4</b>	<b>-0.32%</b>	
Council Resources	Corporate	IT Services	3,547	592	576	16	2.78%	
Council Resources	Corporate	People & Council Support	3,982	1,631	1,717	-86	-5.01%	
Council Resources	Corporate	Governance	2,379	-40	-2	-38	1900.00%	
Council Resources	Corporate	Communications	446	90	98	-8	-8.16%	
<b>COUNCIL RESOURCES</b>	<b>CORPORATE TOTAL</b>		<b>10,354</b>	<b>2,273</b>	<b>2,389</b>	<b>-116</b>	<b>-4.86%</b>	
<b>COUNCIL RESOURCES TOTAL</b>			<b>19,929</b>	<b>3,537</b>	<b>3,657</b>	<b>-120</b>	<b>-3.28%</b>	
Health & Social Care Partnership	Head of Operations	Adult Social Work	31,610	5,916	5,601	315	5.62%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	10,561	2,594	2,477	117	4.72%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,150	450	449	1	0.22%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	19,264	3,220	2,830	390	13.78%	
Health & Social Care Partnership	Head of Operations	Head of Operations	5,120	684	691	-7	-1.01%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,837	343	367	-24	-6.54%	
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP</b>	<b>IJB TOTAL</b>		<b>73,542</b>	<b>13,207</b>	<b>12,415</b>	<b>792</b>	<b>6.38%</b>	
Health & Social Care Partnership	Head of Operations	Non-IJB	540	194	95	99	104.21%	
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP</b>	<b>Non-IJB TOTAL</b>		<b>540</b>	<b>194</b>	<b>95</b>	<b>99</b>	<b>104.21%</b>	
<b>HEALTH &amp; SOCIAL CARE PARTNERSHIP TOTAL</b>			<b>74,082</b>	<b>13,401</b>	<b>12,510</b>	<b>891</b>	<b>7.12%</b>	
Place	Development	Planning & Environmental Services	1,103	111	118	-7	-5.93%	
Place	Development	Economic Development	854	-585	-582	-3	0.52%	
<b>PLACE</b>	<b>DEVELOPMENT TOTAL</b>		<b>1,957</b>	<b>-474</b>	<b>-464</b>	<b>-10</b>	<b>2.16%</b>	
Place	Housing	Housing, Strategy & Development	284	134	186	-52	-27.96%	
Place	Housing	Property Maintenance Trading Account	-1,035	1,876	1,877	-1	-0.05%	
Place	Housing	Community Housing Group	2,761	-187	-308	121	39.29%	
<b>PLACE</b>	<b>HOUSING TOTAL</b>		<b>2,010</b>	<b>1,823</b>	<b>1,755</b>	<b>68</b>	<b>3.87%</b>	
Place	Infrastructure	Asset Maintenance & Engineering Services	3,541	1,040	1,043	-3	-0.29%	
Place	Infrastructure	Strategic Asset & Capital Plan Management	-1,206	140	263	-123	-46.77%	
Place	Infrastructure	Facility Trading Activity	-376	-309	-370	61	-16.49%	
Place	Infrastructure	Facility Support Services	4,227	598	621	-23	-3.70%	
Place	Infrastructure	Landscape & Countryside Management	6,288	1,815	1,825	-10	-0.55%	
Place	Infrastructure	Active Business Unit	3,799	187	136	51	37.50%	
Place	Infrastructure	Roads Network	4,418	1,233	1,090	143	13.12%	
Place	Infrastructure	Roads Trading Activity	-670	-99	-140	41	-29.29%	
Place	Infrastructure	Transportation	2,210	373	463	-90	-19.44%	
Place	Infrastructure	Waste Services	9,609	882	908	-26	-2.86%	
<b>PLACE</b>	<b>INFRASTRUCTURE TOTAL</b>		<b>31,840</b>	<b>5,860</b>	<b>5,839</b>	<b>21</b>	<b>0.36%</b>	
Place	Communities & Partnerships	Connected Communities	6,307	2,161	2,222	-61	-2.75%	
Place	Communities & Partnerships	Protective Services	2,083	212	239	-27	-11.30%	
Place	Communities & Partnerships	Customer Services Group	4,486	692	713	-21	-2.95%	
<b>PLACE</b>	<b>COMMUNITIES &amp; PARTNERSHIPS TOTAL</b>		<b>12,876</b>	<b>3,065</b>	<b>3,174</b>	<b>-109</b>	<b>-3.43%</b>	
<b>PLACE TOTAL</b>			<b>48,683</b>	<b>10,274</b>	<b>10,304</b>	<b>-30</b>	<b>-0.29%</b>	
<b>SERVICE TOTAL</b>			<b>315,491</b>	<b>65,577</b>	<b>64,695</b>	<b>882</b>	<b>1.36%</b>	
<b>Non-Service Expenditure Sub-Total</b>			<b>14,049</b>	<b>313</b>	<b>218</b>	<b>95</b>	<b>43.58%</b>	
<b>Total Expenditure</b>			<b>329,540</b>	<b>65,890</b>	<b>64,913</b>	<b>977</b>	<b>1.51%</b>	
<b>Funded By Sub-Total</b>			<b>-326,605</b>	<b>-135,232</b>	<b>-135,049</b>	<b>-183</b>	<b>-0.14%</b>	
<b>Net Expenditure</b>			<b>2,935</b>	<b>-69,342</b>	<b>-70,136</b>	<b>794</b>	<b>1.13%</b>	
<b>Reserves Funding Sub-Total</b>			<b>-2,935</b>	<b>0</b>	<b>-200</b>	<b>200</b>	<b>100.00%</b>	
<b>TOTAL</b>			<b>0</b>	<b>-69,342</b>	<b>-70,336</b>	<b>994</b>	<b>1.41%</b>	

Appendix 2  
 East Lothian Council  
 2024/25 Budget Efficiencies - Quarter 1

Service	2024/25			
	Achieved	Amber	Unachievable	
	£'000	£'000	£'000	
Education	396	134	0	
Finance	630	0	0	
Corporate Services	11	27	0	
Development	120	0	0	
Housing	0	48	275	
Infrastructure	1,415	1,156	500	
Communities	1,063	50	0	
Non Service Expenditure	0	2,100	0	
<b>Total</b>	<b>3,635</b>	<b>3,515</b>	<b>775</b>	<b>7,925</b>
	45.87%	44.35%	9.78%	

Savings Currently Unachievable - Red

Service	Proposal	Value	Comments
Housing	Review of Adaptations (Care and Repair Grant)	275	Cannot be achieved. The service is undertaking a service review of Private Sector Housing Grant to identify savings to offset this saving in future years.
Infrastructure	Income Generation (Parking Charges)	500	The main issue with this saving is timing and proposals will be brought forward to introduce charging. The saving can only be delivered if the proposals are approved.
<b>Total</b>		<b>775</b>	

### Appendix 3

East Lothian Council

### Budget Monitoring 2024/25 - Additional Funding from the Scottish Government

	£million
<b>2024/25 GRG (per Budget Amendment)</b>	<b>238.012</b>
<hr/>	
<b>Additional Funding - GRG</b>	
Early Learning £12 per hour funding	0.350
Social Care £12 per hour funding	4.995
Other	0.045
Additional GRG for 2024/25 Settlement	1.217
Employability Child Poverty Co-ordinators	0.066
Council Tax Freeze (£3.4m built into approved budget)	0.004
2023/24 Local Government Pay Offer	0.403
<b>Total Additional Funding</b>	<b>7.080</b>
<b>Revised GRG</b>	<b>245.092</b>

Appendix 4  
East Lothian Council  
General Services Capital Budget Monitoring Summary 2024/25  
Quarter 1

	RAG	Approved Budget 2024/25	Updated Budget 2024/25	Actual 2024/25	Updated Budget-Actual Variance 2024/25	Projected Outturn 2024/25	Updated Budget - Outturn Variance 2024/25
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>							
<b>Community Projects</b>							
Community Intervention	G	300	300	-	(300)	300	-
Community Intervention Fund - Pump Tracks	P	475	475	-	(475)	238	(238)
Community Public Art	G	160	160	4	(156)	160	-
Bleachingfield Centre Remodelling Works	G	100	100	-	(100)	100	-
Dunbar Conservation Area Regeneration Scheme (CARS)	G	355	760	-	(760)	760	-
East Saltoun Community Hall	-	-	-	-	-	-	-
North Berwick Skatepark	G	-	13	-	(13)	13	-
Support for Business	G	-	-	0	0	1	1
Fisherrow - spend to save project	G	225	250	250	-	250	-
CCTV	A	123	219	-	(219)	219	-
Town Centre Regeneration	A	514	937	181	(757)	937	-
<b>Total Community Projects</b>		<b>2,253</b>	<b>3,215</b>	<b>435</b>	<b>(2,780)</b>	<b>2,978</b>	<b>(237)</b>
Town Centre Regeneration (PBIP) Grant		(500)	(820)	(181)	639	(820)	(0)
Other Funding Sources		(805)	(1,276)	(4)	1,272	(1,151)	125
GCG REFCUS							
<b>Total Income: Community Projects</b>		<b>(1,305)</b>	<b>(2,096)</b>	<b>(185)</b>	<b>1,911</b>	<b>(1,971)</b>	<b>125</b>
<b>Community Projects - General Capital Grant/Borrowing Requirement</b>		<b>948</b>	<b>1,119</b>	<b>250</b>	<b>(869)</b>	<b>1,007</b>	<b>(112)</b>
<b>ICT</b>							
IT Programme & Digital Opportunities	G	2,200	2,400	166	(2,234)	2,400	-
Telecare System upgrade to Digital	-	-	-	-	-	-	-
<b>Total ICT</b>		<b>2,200</b>	<b>2,400</b>	<b>166</b>	<b>(2,234)</b>	<b>2,400</b>	<b>-</b>
Other Funding Sources		-	-	-	-	-	-
<b>Total Income: ICT</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ICT - General Capital Grant/Borrowing Requirement</b>		<b>2,200</b>	<b>2,400</b>	<b>166</b>	<b>(2,234)</b>	<b>2,400</b>	<b>0</b>
<b>Fleet</b>							
Amenties - Machinery & Equipment - replacement	G	200	169	149	(20)	169	-
Vehicles	G	4,611	4,611	729	(3,882)	4,611	-
<b>Total Fleet</b>		<b>4,811</b>	<b>4,780</b>	<b>879</b>	<b>(3,901)</b>	<b>4,780</b>	<b>-</b>
Other Funding Sources		-	-	-	-	-	-
<b>Total Income: Fleet</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fleet - General Capital Grant/Borrowing Requirement</b>		<b>4,811</b>	<b>4,780</b>	<b>879</b>	<b>(3,901)</b>	<b>4,780</b>	<b>0</b>
<b>Open Space</b>							
Synthetic Pitch Replacement Programme	G	157	230	282	53	289	59
Cemeteries (Burial Grounds)	G	637	911	278	(633)	911	-
River Tyne / Haddington Flood Protection scheme	-	-	-	-	-	-	-
Coastal / Flood Protection schemes - Musselburgh	P	2,050	1,904	145	(1,759)	1,581	(323)
Coastal Change Management	G	85	85	-	(85)	85	-
Coastal Car Park Toilets	G	256	262	-	(262)	262	-
Core Path Plan	A	50	100	-	(100)	100	-
Harbour Walls	G	600	600	-	(600)	600	-
Mains Farm Town Park & Pavilion	-	-	-	-	-	-	-
Nature Restoration	G	-	59	-	(59)	168	109
Replacement Play Equipment	G	327	459	8	(451)	459	-
Polson Park	G	160	160	-	(160)	160	-
Sports and Recreation LDP	P	3,026	3,182	68	(3,113)	2,583	(599)
Street litter bin replacement	G	40	40	-	(40)	40	-
Waste - New Bins	G	160	160	63	(97)	160	-
Waste - Machinery & Equipment - replacement	G	40	40	13	(27)	40	-
<b>Total Open Space</b>		<b>7,588</b>	<b>8,191</b>	<b>858</b>	<b>(7,333)</b>	<b>7,437</b>	<b>(754)</b>
Developer Contribution		(2,457)	(2,656)	(40)	2,616	(2,057)	599
Capital Receipts		(350)	(350)	-	350	(345)	5
Other Funding Sources		(1,594)	(1,467)	(436)	1,031	(1,468)	(1)
<b>Total Income: Open Space</b>		<b>(4,401)</b>	<b>(4,474)</b>	<b>(476)</b>	<b>3,997</b>	<b>(3,870)</b>	<b>604</b>
<b>Open Space - General Capital Grant/Borrowing Requirement</b>		<b>3,187</b>	<b>3,718</b>	<b>382</b>	<b>(3,336)</b>	<b>3,568</b>	<b>(150)</b>
<b>Roads, Lighting and related assets</b>							
Cycling Walking Safer Streets	G	478	478	165	(313)	835	357
East Linton Rail Stop / Infrastructure	-	-	-	-	-	-	-
Parking Improvements	P	330	559	0	(558)	296	(263)
Roads	G	5,500	5,500	477	(5,023)	5,500	-
Roads - Externally Funded Projects	G	8,462	8,462	1,706	(6,757)	8,462	-
<b>Total Roads, Lighting and related assets</b>		<b>14,770</b>	<b>14,999</b>	<b>2,347</b>	<b>(12,651)</b>	<b>15,093</b>	<b>94</b>
Developer Contribution		-	-	-	-	-	-
Other Funding Sources		(8,940)	(8,940)	165	8,775	(9,297)	(357)



Appendix 4  
**East Lothian Council**  
**General Services Capital Budget Monitoring Summary 2024/25**  
**Quarter 1**

	RAG	Approved Budget 2024/25	Updated Budget 2024/25	Actual 2024/25	Updated Budget-Actual Variance 2024/25	Projected Outturn 2024/25	Updated Budget - Outturn Variance 2024/25
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>							
<b>Total Income: Roads, Lighting and related assets</b>		(8,940)	(8,940)	(165)	8,775	(9,297)	(357)
<b>Roads etc. - General Capital Grant/Borrowing Requirement</b>		5,830	6,059	2,183	(3,876)	5,796	(263)
<b>Property - Education</b>							
Aberlady Primary - extension	P	2,289	2,328	12	(2,316)	750	(1,578)
Blindwells Primary - new school	G	19,453	17,975	8,391	(9,584)	17,975	-
Craighall Primary - New School	G	19,217	17,107	54	(17,053)	17,107	-
East Linton Primary - new school	-	-	-	-	-	-	-
Free School Meals Expansion to P6-7	G	-	17	-	(17)	17	-
Gullane Primary - extension including Early Learning and 1140	G	-	-	(390)	(390)	-	-
Knox Academy Extension	P	50	50	-	(50)	-	(50)
Law Primary - extension including Early Learning and 1140	G	67	622	105	(517)	170	(452)
Letham Primary - New School	P	-	42	-	(42)	17	(25)
North Berwick High School - Extension	G	450	688	5	(683)	688	-
Ormiston Primary - extension	G	-	82	-	(82)	82	-
Pinkie St Peter's Primary - sports hall extension	G	505	556	-	(556)	-	(556)
Pinkie St Peter's Primary - extension including Early Learning and 1140	G	279	449	4	(445)	320	(129)
Preston Lodge High School - extension (phase 1)	A	-	-	-	-	-	-
Prestonpans Primary - upgrades	G	243	243	-	(243)	243	-
Ross High School - extension	A	-	-	-	-	25	25
School Estate - Curriculum Upgrades	G	1,045	1,083	-	(1,083)	1,083	-
St Gabriel's Primary - extension including Early Learning and 1140	G	-	-	-	-	-	-
Wallyford Primary - New School	P	108	108	-	(108)	12	(96)
Wallyford Learning Campus	G	1,001	1,101	24	(1,076)	1,101	-
West Barns Primary - extension including Early Learning and 1140	G	46	37	-	(37)	10	(27)
Whitecraig Primary - new school including Early Learning and 1140	G	16,058	15,755	1,260	(14,496)	15,755	-
Windygoul Primary - Early learning and 1140 extension	P	150	133	-	(133)	-	(133)
<b>Total Property - Education</b>		<b>60,962</b>	<b>58,376</b>	<b>9,467</b>	<b>(48,909)</b>	<b>55,354</b>	<b>(3,022)</b>
Developer Contribution		(12,184)	(8,869)	(8,457)	412	(8,616)	253
Developer Contribution (Post completion)		(14)	(14)	-	14	-	14
1140 Grant Income		(167)	(144)	-	144	(17)	127
Other Funding Sources		-	-	-	-	-	-
<b>Total Income: Property - Education</b>		<b>(12,365)</b>	<b>(9,028)</b>	<b>(8,457)</b>	<b>570</b>	<b>(8,633)</b>	<b>395</b>
<b>Property Education - General Capital Grant/Borrowing Requirement</b>		<b>48,597</b>	<b>49,348</b>	<b>1,009</b>	<b>(48,339)</b>	<b>46,722</b>	<b>(2,627)</b>
<b>Property - Other</b>							
Accelerating Growth		14,853	15,582	4,084	(11,498)	15,849	267
- Cockenzie	G	-	507	543	36	5,146	4,639
- Levelling Up Project Cockenzie	P	10,978	11,164	457	(10,706)	6,790	(4,374)
- Blindwells	G	-	35	21	(14)	35	-
- Innovation Hub	G	3,876	3,876	3,060	(816)	3,876	-
- A1/QMU Junction	G	-	-	2	2	2	2
Brunton Hall - Improved Community Access	-	-	-	-	-	-	-
Court Accommodation - incl. SPOC	G	820	952	-	(952)	952	-
Loch Centre Tranent - Major Refurbishment Works	G	721	721	-	(721)	721	-
New ways of working Programme	P	988	1,548	14	(1,534)	500	(1,048)
Prestongrange Museum	P	1,599	1,746	-	(1,746)	1,000	(746)
Property Renewals	G	2,000	2,000	275	(1,725)	2,000	-
Replacement Childrens House	P	867	867	-	(867)	200	(667)
Sports Centres	G	240	240	-	(240)	240	-
Whitecraig Community Centre	G	-	49	-	(49)	49	-
<b>Total Property - Other</b>		<b>22,088</b>	<b>23,704</b>	<b>4,372</b>	<b>(19,332)</b>	<b>21,510</b>	<b>(2,193)</b>
Developer Contribution		-	-	-	-	-	-
Developer Contribution (Post completion)		-	-	-	-	-	-
Capital receipts		(1,098)	(1,590)	(543)	1,047	(4,902)	(3,313)
TCR		(150)	(304)	-	304	(304)	-
Other Funding Sources		(10,228)	(10,613)	(481)	10,133	(7,402)	3,212
<b>Total Income: Property - Other</b>		<b>(11,476)</b>	<b>(12,507)</b>	<b>(1,024)</b>	<b>11,483</b>	<b>(12,608)</b>	<b>(101)</b>
<b>Property Other - General Capital Grant/Borrowing Requirement</b>		<b>10,612</b>	<b>11,197</b>	<b>3,348</b>	<b>(7,849)</b>	<b>8,903</b>	<b>(2,294)</b>
<b>Total Property Spend - Education and Other</b>		<b>83,050</b>	<b>82,080</b>	<b>13,838</b>	<b>(68,241)</b>	<b>76,865</b>	<b>(5,215)</b>
<b>Total Income: Property - Education and Other</b>		<b>(23,841)</b>	<b>(21,535)</b>	<b>9,481</b>	<b>12,053</b>	<b>(21,240)</b>	<b>294</b>
<b>Property-Education and Other - General Capital Grant/Borrowing Requirement</b>		<b>59,209</b>	<b>60,545</b>	<b>4,357</b>	<b>(56,188)</b>	<b>55,624</b>	<b>(4,921)</b>
Capital Plan Fees	G	2,524	2,524	-	(2,524)	2,524	-
PPP Projects	G	-	-	(14)	(14)	-	-
<b>Total Gross Expenditure</b>		<b>117,196</b>	<b>118,189</b>	<b>18,510</b>	<b>(99,679)</b>	<b>112,077</b>	<b>(6,112)</b>
Other Funding Sources		-	-	14	14	-	-
<b>Total Income:PPP Projects</b>		<b>-</b>	<b>-</b>	<b>14</b>	<b>14</b>	<b>-</b>	<b>-</b>
<b>Income</b>							

Appendix 4  
 East Lothian Council  
 General Services Capital Budget Monitoring Summary 2024/25  
 Quarter 1

	RAG	Approved Budget 2024/25	Updated Budget 2024/25	Actual 2024/25	Updated Budget-Actual Variance 2024/25	Projected Outturn 2024/25	Updated Budget - Outturn Variance 2024/25
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>							
Developer Contribution	G	(14,640)	(11,525)		11,525	(10,673)	852
Developer Contribution (Post completion)	G	(14)	(14)		14	-	14
1140 Grant Income	G	(167)	(144)		144	(17)	127
Town Centre Regeneration (PBIP) Grant	A	(650)	(1,124)		1,124	(1,124)	(0)
Capital receipts	G	(4,448)	(4,940)		4,940	(8,247)	(3,307)
Other Funding Sources	G	(21,567)	(22,297)		22,297	(19,318)	2,979
GCG REFCUS						-	
Scottish Government General Capital Grant	G	(24,877)	(24,877)		24,877	(26,486)	(1,609)
<b>Total Income</b>		<b>(66,364)</b>	<b>(64,921)</b>		<b>64,921</b>	<b>(65,864)</b>	<b>(943)</b>
<b>Borrowing Requirement</b>	<b>G</b>	<b>50,831</b>	<b>53,267</b>		<b>(34,758)</b>	<b>46,213</b>	<b>(7,054)</b>

**Appendix 5**  
**Prudential and Treasury Indicators 2024/25**  
**Quarter 1**

1 PRUDENTIAL INDICATORS	2023/24	2024/25	2024/25
	Actual £'000	Budget £'000	Q1 Projection £'000
<b>1.1 Capital Expenditure</b>			
General Services	52,087	117,196	112,611
HRA	42,849	31,579	31,645
TOTAL	94,936	148,775	144,256
<b>1.2 Capital Financing Requirement (CFR) – General Services</b>			
brought forward 1 April	295,377	321,667	313,376
carried forward 31 March	313,376	365,070	352,581
In year borrowing requirement	17,999	43,403	39,205
<b>1.3 Capital Financing Requirement (CFR) - HRA</b>			
brought forward 1 April	240,066	267,835	265,745
carried forward 31 March	265,745	291,180	288,375
In year borrowing requirement	25,679	23,345	22,630
<b>1.4 Total CFR excluding PPP and leases</b>			
General Services	313,376	365,070	352,581
HRA	265,745	291,180	288,375
TOTAL	579,121	656,250	640,956
<b>1.5 Annual Change in CFR</b>			
General Services	17,999	43,403	39,205
HRA	25,679	23,345	22,630
TOTAL	43,679	66,748	61,835
<b>1.6 Ratio of financing costs to net revenue stream</b>			
General Services	4.26%	5.57%	5.33%
HRA	33.13%	36.24%	36.02%
<b>1.7 Impact of Capital Investment Decisions</b>			
General Services – Debt per Band D equivalent	£5,118	£5,940	£5,737
HRA – Debt per dwelling	£28,389	£31,112	£30,558

2 TREASURY MANAGEMENT INDICATORS	2023-24	2024-25	2024-25
	Actual £'000	Budget £'000	Q1 Projection £'000
<b>2.1 Authorised Limit for External Debt -</b>			
Borrowing at 31 March	636,000	726,000	727,000
Other long term liabilities (PPP and Leases)	31,000	30,000	30,000
Total	667,000	756,000	757,000
<b>2.2 Operational Boundary for External Debt -</b>			
Borrowing at 31 March	594,352	656,249	657,260
Other long term liabilities (PPP and Leases)	30,688	29,104	29,105
Total	625,040	685,354	686,365
<b>2.3 Actual External Debt</b>			
Borrowing at 31 March	493,789	558,885	550,901
Other long term liabilities (PPP and Leases)	30,688	29,104	29,105
Total	524,477	587,989	580,006

3 LOANS FUND	2023-24	2024-25	2024-25
	Actual £'000	Budget £'000	Q1 Projection £'000
<b>3.1 General Services</b>			
Opening balance	295,377	321,667	313,376
Add advances	22,327	50,546	45,928
Less repayments	(4,328)	(7,143)	(6,723)
Closing balance	313,376	365,070	352,581
<b>3.2 HRA</b>			
Opening balance	240,066	267,835	265,745
Add advances	31,061	29,183	28,461
Less repayments	(5,382)	(5,838)	(5,831)
Closing balance	265,745	291,180	288,375
<b>3.3 Total</b>			
Opening balance	535,443	589,502	579,121
Add advances	53,389	79,729	74,389
Less repayments	(9,710)	(12,981)	(12,554)
Closing balance	579,121	656,250	640,956

Appendix 6  
 East Lothian Council  
 Budget Monitoring HRA 2024/25 - Quarter 1

	2024/25 Budget £'000	2024/25 Actual to Date £'000	2024/25 Budget to Date £'000	2024/25 Budget Variance to Date £'000
Total Income	-40,854	-10,159	-10,210	51
Total Expenditure	38,150	4,952	9,523	-4,571
<b>(Surplus) / Deficit for Year</b>	<b>-2,704</b>	<b>-5,207</b>	<b>-687</b>	<b>-4,520</b>

	2024/25 Budget £'000
<b>Management of Balances</b>	
Opening (Surplus) / Deficit	-1,535
CFCR	2,200
<b>(Surplus) / Deficit for Year</b>	<b>-2,704</b>
<b>Closing (Surplus) / Deficit</b>	<b>-2,039</b>

**Appendix 7**  
**East Lothian Council**  
**Budget Monitoring HRA Capital 2024/25 - Quarter 1**

	<b>2024/25 Budget</b>	<b>2024/25 Actual to Date</b>	<b>2024/25 Budget to Date</b>	<b>2024/25 Budget Variance to Date</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Modernisation	10,600	1,173	2,650	-1,477
Energy Efficiency Fund	2,500	159	625	-466
New Council Housing	16,732	3,443	4,183	-740
Fees	1,467	0	0	0
Mortgage to Rent	280	0	0	0
<b>TOTAL</b>	<b>31,579</b>	<b>4,775</b>	<b>7,458</b>	<b>-2,683</b>

Funded By:

	<b>2024/25 Budget</b>	<b>2024/25 Actual to Date</b>	<b>2024/25 Budget to Date</b>	<b>2024/25 Budget Variance to Date</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Grants	-632	-789	-632	-157
Grants MTR	-196	0	0	0
CFCR	-2,200	0	0	0
Borrowing	-28,551	-3,986	-6,826	2,840
<b>TOTAL</b>	<b>-31,579</b>	<b>-4,775</b>	<b>-7,458</b>	<b>2,683</b>

**REPORT TO:** East Lothian Council  
**MEETING DATE:** 27 August 2024  
**BY:** Executive Director for Council Resources  
**SUBJECT:** Budget Development 2025-26 Onwards

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**4**

## **1 PURPOSE**

- 1.1 To set the context for developing the five-year budget plan for 2025/26 onwards.
- 1.2 To provide updated budget projections and a revised funding gap, and to highlight the key assumptions and risks within these.
- 1.3 To outline the process and next steps for setting the financial strategy and budgets for 2025/26 onwards.

## **2 RECOMMENDATIONS**

- 2.1 The Council is recommended to:
  - Note the financial outlook, and revised budget projections and key assumptions for financial planning 2025/26 onwards set out within the report.
  - Note the significant risks which the council continues to face to financial sustainability and setting a balanced budget.
  - Agree the next steps to developing the budget and financial strategy for 2025/26 onwards.

## **3 BACKGROUND**

- 3.1 This report sets the context for developing the 5-year financial strategy and budget plan for 2025/26 onwards, including key considerations for both revenue and capital General Services and Housing Revenue Account (HRA) budgets. It covers an overview of the current national and local

context, an update to the high-level revenue projections for general services, key assumptions, risks and next steps.

### **National and Local Context**

- 3.2 Councils are currently facing a significant range of uncertainties within budget planning as we await the outcomes of UK Government's Spending Review, Autumn Statement and the subsequent budget announcements that will likely follow from Scottish Government. Members will be aware that the local government finance settlement for 2024/25 was a one-year settlement, which presents a significant challenge to medium-term financial planning.
- 3.3 Scottish Government had previously announced the forthcoming publication of its financial strategy which was anticipated in June 2024. This has now been delayed and will be aligned with the budget announcement meaning that councils will not be sighted on this for a number of months. Current financial planning is therefore based on the Resource Spending Review of May 2022, and it is currently unclear whether or not there will be a fiscal event prior to the UK Government's Autumn Budget statement which is anticipated in late October.
- 3.4 The financial environment across the whole of the public sector remains extremely challenging, and the Deputy First Minister has recently announced the need to apply emergency spending controls across all departments, with further spending in 2024/25 only being permitted if it is 'truly essential or unavoidable', noting that supporting the public sector workforce would require some 'tough decisions'.
- 3.5 While the implications of this at a local level remain to be seen, this is a clear indicator that the funding challenges which the Council has faced in recent years are likely to remain a prominent feature of budget setting over the medium term. This means that the Council's financial strategy must maintain focus on taking sustainable budget decisions and ensuring that resources are targeted to the highest areas of need, and is likely to require the redirection of resource away from some existing areas of service delivery.
- 3.6 Council agreed the 5-year budget plan for 2024/25 onwards on 20 February 2024, which reflected the following:
  - Council tax freeze in 2024/25, with indicative increases of 10% in 2025/26 and 5% annual increases in the subsequent three years.
  - Revenue savings of £16.5m over the next 5 years.
  - Use of the capital reserve to smooth the impact of debt charges in 2024/25, 2025/26 and 2026/27.
  - Use of £1m reserves in 2024/25, to be repaid in 2025/26.
  - Capital investment (general services) of £364m over the next 5 years.
  - Allowance for pay pressures of 3% in 2024/25, and 2% in the subsequent four years.



- Flat cash settlement in all years other than 2026/27, aligned to Scottish Government's Resource Spending Revenue of May 2022 which, at that time, assumed a funding uplift in that year. This is reflected as additional funding of £1.8 million in 2026/27. However, it should be noted that this position may change as a result of forthcoming fiscal events over the autumn.
- 3.7 Ongoing challenges relating to the impact of population growth and demographic change are continuing to increase the gap between available funding and growing expenditure demands. As one of the fastest growing council areas in Scotland, this remains a significant challenge at a local level, and is set alongside other pressures facing the whole of the public sector including pay and contract inflation, growing demand for services and increasing expectations arising from new policy commitments at a national level.
- 3.8 Officers and members continue to raise awareness of these challenges through the appropriate channels within Scottish Government and COSLA.

### **Revised Budget Projections – GS Revenue**

- 3.9 The strategic budget model has been rolled forward and updated to reflect recent developments likely to significantly impact the financial projections. In accordance with the budget development framework, the strategic projections span the next 5 years, and the budget model has been updated to incorporate 2029/30 as year 5. A summary is provided within **Appendix 1**, and other key changes are summarised below:

**Pay:** Scottish Government published its Public Sector Pay Policy on 30 May 2024, which reflects 3% annual uplifts (2% from April with an additional 1% from January) for 2024/25, 2025/26 and 2026/27. While this does not dictate future local government pay settlements, it is likely to be inform these negotiations and provision has therefore been made to accommodate increases of this level within the updated budget projections set out in **Appendix 1**. The 2024/25 pay settlement remains subject to ongoing negotiation, and this presents a risk of additional pressures if a settlement in excess of 3% is reached without additional funding to support this.

**Cost pressures:** the model has been updated to reflect revenue budget pressures including revenue costs of capital.

**Funding:** the year 1 (2025/26) projection reflects additional General Revenue Grant (GRG) of £1.217m, which was announced subsequent to the Council's budget for 2024/25 being set, along with the baselining of £0.4m funding to support the 2023/24 pay award.

**Council tax:** no changes have been made to the previously assumed uplifts in council tax charges of 10% in 2025/26 and 5% annual increases

thereafter, but projections have been updated to reflect current assumptions regarding the tax base (i.e. the number of properties liable to pay council tax, adjusted according to banding and assumed levels of discounts and reductions).

**Savings:** as noted above, Council has previously agreed to the delivery of savings measures totalling £16.5 million over the next 5 years (including the current financial year). Officers are continuing to work to progress these decisions; however, a high degree of risk has been identified with regard to the timing of delivery of some of the agreed savings. **Appendix 1** accordingly reflects a reprofiling of £2.5 million of agreed savings from 2025/26 and the updated model assumes that these savings will now be achieved from 2027/28 onwards. While this represents a neutral change overall, this increases the budget gap in year 1 (2025/26).

- 3.10 The results of this give rise to an updated 5-year budget gap of £64.866 million including IJB pressures of £12.329 million. Members will be aware that both the Council and the IJB must set balanced budgets which means taking steps to close the gap between the available resources and expenditure demands.
- 3.11 After taking account of savings previously agreed by Council, indicative council tax rises of 10% in 2025/26, and annual increases of 5% in the subsequent four years, the residual five-year budget gap remains at £17.487 million for Council services and £12.329 million for the Health & Social Care Partnership (HSCP) budgets. In setting balanced budgets for each of these years, Council will need to agree savings or apply further council tax increases in order to close the budget gap, unless additional government funding is forthcoming. HSCP budgets are set by IJB and will require to be balanced either through the identification of savings or additional funding.
- 3.12 Comparing the 5-year projections within **Appendix 1** to the budget agreed by Council on 20 February 2024, the key movements totalled over 5 years are as follows:
- Pay pressures totalling £6.6 million.
  - Growth including revenue costs of capital and debt charges totalling £2.3 million.
  - Funding increases (GRG) of £1.6 million.
  - Increased council tax income, linked to updated assumptions around housing completions of £2.8 million.
  - Presentational changes also reflect the total IJB budget pressure (£12.3 million) within the total budget gap for the council.
- 3.13 While the overall 5-year funding gap for the Council has reduced from the level it was at previously, this represents a significant challenge which will likely require both Council and the IJB to take some difficult decisions as part of the budget development process.

- 3.14 It is recommended that the high-level projections set out within **Appendix 1** form the initial basis of financial planning to develop the general services revenue budget for 2025/26 onwards. Detailed work is underway to update the underlying projections, and the updated model will be shared with Council when the budgets for 2025/26 onwards are set, with material movements communicated to councillors in advance of this. Key areas of ongoing work include:
- Updates to incorporate implications arising from UK and Scottish Government budget announcements and the 2025/26 local government finance settlement.
  - Updates to reflect the anticipated impact of demographic change.
  - Updated debt charges aligned to the revised capital programme, interest and cash flow forecasts.
  - Updates to bring inflationary and indexation pressures in line with the correct levels.
  - Detailed work to reflect the implications of future pay award at service budget level, along with any potential impact on grading.
  - Revised cost pressures to incorporate material changes to policy or external risk factors which require to be funded.
  - Inclusion of proposed savings to close the funding gap enabling a balanced budget to be set for 2025/26.
- 3.15 The in-year budget position at Quarter 1 reflects significant emerging pressures across a range of services, most notably within both Children's Services and Adult Social Care, which is a continuation of the provisional outturn position reported for the last financial year. Although significant efforts are being made to manage these budgets and develop measures to mitigate any potential budget overspends, these services, along with others are facing growing demand pressures driven by a variety of external factors including changing demographics and potential risk to service users. It is important that budgets are set on a realistic basis, and further consideration will be given to this.
- 3.16 In-year monitoring has also identified pressures emerging as a result of slippage in the delivery of planned savings due to the lead time required to make the necessary changes to services. As noted earlier in the report, **Appendix 1** seeks to address this by reprofiling some of the agreed savings which are felt to present a risk due to future budgets due to further slippage. Earlier consideration and agreement by Council to policy changes which will enable future savings to be unlocked will also help to mitigate this risk going forward.

### **Scenario Planning**

- 3.17 Recognising the range of variables that exist within the updated projections, two alternative scenarios have been developed which reflect the potential impact of changes to the key assumptions reflected in **Appendix 1**. The three scenarios are summarised below with the 'neutral'

case used for planning purposes set against alternative favourable and adverse scenarios.

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
<b>Favourable</b>	18,915	8,072	10,836	7,677	9,046	54,547
<b>Neutral</b>	21,742	10,528	12,963	10,098	9,535	64,866
<b>Adverse</b>	22,402	12,889	13,485	10,619	10,024	69,418

Table 1: Scenario planning: Funding gap, Council + IJB

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
<b>Favourable</b>	-125	6,021	7,971	1,966	3,083	18,917
<b>Neutral</b>	5,266	8,614	9,223	3,511	3,202	29,816
<b>Adverse</b>	10,265	11,622	10,389	4,696	4,386	41,357

Table 2: Scenario planning: Savings required, Council + IJB

3.18 Within Tables 1 and 2 above, the following variables have been applied to the assumptions applied in the neutral scenario.

#### **Favourable scenario**

- Assumes that any pay award in excess of 2% will be funded by Scottish Government.
- Assumes a 10% higher completion rate on new homes for council tax purposes than the neutral scenario in all 5 years.
- Table 2 assumes that all savings will be delivered in line with existing plans.
- Assumes a reduced level of emerging service pressures.

#### **Adverse scenario**

- Assumes flat cash funding in all 5 years.
- Assumes a 10% lower completion rate on new homes for council tax purposes than the neutral scenario in all 5 years.
- Assumes that council tax increases will be capped at 5% in 2025/26.
- Assumes increased pressures arising from policy change at a national level, reflecting the current risks faced around maintaining teacher numbers and minimum learning hours.

3.19 While it is unlikely that all the assumptions set out in the adverse scenario above would materialise, these scenarios reflect key variables that will have a material movement on the Council's finances and as such this sets out the potential scale of risk which the Council could face, amounting to a 5-year funding gap of £69.4 million.

## **Integration Joint Board**

- 3.20 Previous budgets have assumed that financial pressures arising from pay and inflation are met through savings identified from within IJB budgets. For 2024/25, this has resulted in substantial savings needing to be delivered in order to close the budget gap. In the context of the IJB's very limited unallocated reserves, there is a risk that a continuation of this strategy could result in a budget position which cannot be sustained, resulting in overspends needing to be met by funding partners, and potential risk to service users. Council will need to give consideration these budget pressures when determining the budget offer to the IJB.

## **Budget Development Principles**

- 3.21 Council has adopted the following budget development principles as part of the current Financial Strategy:

1. Establishment of a cross-party budget working group to oversee the development of detailed budget proposals and the different work streams supporting this.
2. Commitment to developing an approach aligned to the financial strategy which combines a range of options to close the gap between available funding and anticipated expenditure including an enhanced programme of transformation, asset review, income generation, cost reduction and efficiency.
3. A holistic approach to budget development, which recognises the relationship between capital and revenue planning and the role of investment in cost reduction strategies.
4. Commitment to minimising the use of one-off resources to balance the budget and ensuring that use of reserves is limited to investment that will deliver ongoing cost reductions.
5. Ensuring alignment of financial planning and resources with wider strategic priorities, the Council Plan and consultation results.
6. Consideration of a 5-year budget plan aligned to the financial and capital strategies.

- 3.22 In addition, the financial strategy identifies the following critical enablers to support the delivery of change which will be vital to ensuring financial sustainability, as well as seizing opportunities which enable improvement and innovation:

- Investing in digital transformation
- Resourcing and enabling the asset review
- Support for service reviews & wider transformation
- Cost reduction through energy efficiency

- Investment in early intervention and prevention
  - Developing and growing income streams
- 3.23 Council has made a commitment to support transformation workstreams through reserves created through the application of fiscal flexibilities in 2023/24. The proposed Transformation Strategy, which is subject to consideration by Council at this meeting, details the vision and approach to transformation, as well as the arrangements in place to monitor and report progress.
- 3.24 It is considered that these principles and enablers remain appropriate in the context of the significant and ongoing challenges which the Council faces in relation to the financial environment.
- 3.25 The cross-party budget working group has continued to meet and has started to consider detailed budget proposals and associated impacts for 2025/26 onwards.

### **General Services Capital**

- 3.26 As noted elsewhere in this report, the 5-year capital plan agreed by Council on 20 February 2024 reflects capital expenditure plans totalling £364 million. After taking into account slippage from 2023/24 capital budgets, gross planned capital expenditure over the next 5 years of £365.5 million is expected, giving rise to a net borrowing requirement of £118.8 million.
- 3.27 In the context of the existing capital financing requirement of £365 million for general services, consideration will need to be given to the sustainability of the current and future capital programmes in terms of the overall debt position, as well the revenue costs of financing this.
- 3.28 Population growth has been one of the key drivers of capital investment in recent years, with investment in the learning estate representing a significant proportion of recent and planned capital expenditure. In light of funding constraints, increased borrowing costs and reduced availability of capital grants it is appropriate at this stage to consider and prioritise these plans within current affordability parameters, using the criteria set out in the capital strategy:
- Expenditure required for statutory reasons, for example to ensure that an asset meets any health and safety requirements;
  - Self-funding schemes which fit in with strategic planning priority outcomes and resource requirements;
  - Priority schemes with significant external funding;
  - Schemes directly focused on Council Plan priority outcomes;
  - Schemes which will support the delivery of recurring savings within the Councils revenue budget (investment to save);
  - Schemes which will deliver significant social and health benefits within the housing provision.

- 3.29 The capital strategy also requires that all projects have an identified source of funding to support any on-going revenue costs associated with the use of a capital asset, and these must be built into future financial projections.
- 3.30 Revised future capital expenditure requirements will be collated over the coming weeks and will need to be considered against these criteria.

### **Housing Revenue Account**

- 3.31 As part of the budget meeting in February 2025, Council will meet to set the rent levels for the next financial year. The core assumptions set out in the existing strategy reflect assumed annual increases of 5%, subject to the satisfaction of the following key tests:
- Minimising the impact of debt charges by operating within the recommended upper limit for the ratio of debt charges to income of 40% and maximising the in-year use and application of capital receipts, available capital grants, and revenue balances where possible.
  - In support of contingency planning, ensuring that the reserve or balance left on the HRA does not fall below £1.0 million, allowing the Council to maintain a cushion against any unexpected increase in costs or loss of income.
- 3.32 Risks arising from the removal of affordable housing subsidy for the current financial year, coupled with uncertainty over the availability of funding in future years present a significant risk to financial planning, and the Council's capacity to increase the supply of affordable housing in East Lothian. Officers are in the process of updating HRA budget projections for 2025/26 onwards, and the implications of these risks will require careful consideration to ensure that revised plans remain sustainable in the context of reduced capital funding.

### **Conclusion and Next Steps**

- 3.33 The context within which budgets for 2025/26 onwards are being developed continues to present immense challenges, and the current financial environment remains the biggest risk to all services and the council's capacity to achieve its ambitions. Despite this, the recurring general services revenue budgets continue to commit annual expenditure in excess of £300 million to support service delivery, alongside significant capital investment to meet the needs of our growing population. Budget planning will therefore focus on a sustainable approach to prioritising these resources to ensure that the best possible outcomes are achieved for East Lothian residents, and that limited resources are targeted to the areas of greatest need.
- 3.34 The current indicative budget development timetable, agreed by Council in April is based around a Council meeting to agree the budgets, set

council tax and rent levels on 18 February 2025. Key milestones and activities are summarised below:

<b>Date</b>	<b>Meeting</b>	<b>Action</b>
October 2024	n/a	UK Government Autumn Statement
TBC November / December 2024	n/a	Scottish Government Budget + Medium Term Financial Strategy
December 2024	Council	Q2 Financial Update report, to include an overview of progress towards delivering agreed savings for 2025/26.
December 2024	Council	Consider the Financial and Capital Strategies for 2025/26 onwards.
TBC / December 2024	n/a	Draft Local Government Finance Settlement
January 2025	Cabinet	Consider the initial messages from the draft local government finance settlement and the high-level budget plan.
TBC February 2025	n/a	Final Local Government Finance Settlement
February 2025	Council	Agree the revenue and capital budgets for general services and the HRA for 2025/26 onwards, and to set council tax and rent levels for the forthcoming financial year. Agree the Treasury Management Strategy.

*Table 3: Indicative budget development timetable 2025/26 onwards*

- 3.35 Over the coming months, officers will continue to develop detailed projections and budget proposal to support the cross-party budget working group and wider considerations by members around budget development.

## **4 POLICY IMPLICATIONS**

- 4.1 This report sets the context for development of the Council's budget and financial strategies which seek to maintain alignment with the policy direction set out in the Council plan. The objectives support the short-term priority of ensuring financial sustainability by delivering approved savings and transforming service delivery.



## **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 This report is for noting only and therefore does not require an impact assessment. Integrated impact assessments relating to specific decisions or policy changes made through the budget development process will be undertaken at the appropriate time. With the commencement of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024, the Council is required to ensure that decisions taken as part of the budget are not incompatible with the rights of children.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – as described in the report.
- 6.2 Personnel - none
- 6.3 Other – none

## **7 BACKGROUND PAPERS**

- 7.1 Report to Council on 12 December 2023 – Financial and Capital Strategies 2024-29

<b>AUTHOR'S NAME</b>	Ellie Dunnet
<b>DESIGNATION</b>	Head of Finance
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<b>DATE</b>	5 August 2024

## High Level Revenue Budget Summary - General Services 2025/26 - 2029/30

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
<b>Base Budget</b>	<b>310,377</b>	<b>318,701</b>	<b>322,563</b>	<b>324,875</b>	<b>329,496</b>	
<b>Growth</b>						
Pay	6,741	6,368	6,651	5,509	5,211	<b>30,480</b>
Inflation & indexation	2,951	3,145	3,071	3,110	3,044	<b>15,321</b>
Growth including RCC	5,565	3,666	3,196	987	520	<b>13,934</b>
Debt charges	8,109	0	45	492	760	<b>9,406</b>
<b>TOTAL</b>	<b>23,366</b>	<b>13,179</b>	<b>12,963</b>	<b>10,098</b>	<b>9,535</b>	<b>69,141</b>
<b>Funding / income changes</b>						
RSG - funding for existing policy commitments	-1,620	-1,800	0	0	0	<b>-3,420</b>
RSG - funding for new policy commitments						
RSG - additional funding						
SFT funding	-1,010	155	0	0	0	<b>-855</b>
GF Balance	1,006	-1,006	0	0	0	<b>0</b>
<b>TOTAL</b>	<b>-1,624</b>	<b>-2,651</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-4,275</b>
<b>FUNDING GAP COUNCIL + IJB</b>	<b>21,742</b>	<b>10,528</b>	<b>12,963</b>	<b>10,098</b>	<b>9,535</b>	<b>64,866</b>
<b>Budget pressure within IJB services</b>	<b>2,314</b>	<b>2,556</b>	<b>2,524</b>	<b>2,267</b>	<b>2,668</b>	<b>12,329</b>
<b>Budget pressure within Council Services</b>	<b>19,428</b>	<b>7,972</b>	<b>10,439</b>	<b>7,831</b>	<b>6,867</b>	<b>52,537</b>
Council tax increase y1-5 10%/ 5% / 5% / 5%/ 5%	-9,097	-5,295	-5,374	-5,587	-5,833	<b>-31,186</b>
Use of capital reserve	-7,759	5,475	4,219	0	0	<b>1,935</b>
<b>TOTAL</b>	<b>-16,856</b>	<b>180</b>	<b>-1,155</b>	<b>-5,587</b>	<b>-5,833</b>	<b>-29,251</b>
<b>GAP BEFORE SERVICE REDUCTIONS</b>	<b>4,886</b>	<b>10,708</b>	<b>11,808</b>	<b>4,511</b>	<b>3,702</b>	<b>35,615</b>
Existing savings plans (breakdown below)	-3,120	-2,094	-1,585	0	0	<b>-6,799</b>
Risk to savings delivery	2,500	0	-1,000	-1,000	-500	<b>0</b>
<b>BUDGET GAP REMAINING</b>	<b>4,266</b>	<b>8,614</b>	<b>9,223</b>	<b>3,511</b>	<b>3,202</b>	<b>28,816</b>
<b>PROPOSED ADDITIONAL SERVICE REDUCTIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ADDITIONAL USE OF RESERVES</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,000</b>
<b>REVISED BUDGET GAP COUNCIL + IJB</b>	<b>5,266</b>	<b>8,614</b>	<b>9,223</b>	<b>3,511</b>	<b>3,202</b>	<b>29,816</b>
<b>REVISED BUDGET GAP COUNCIL (EXCLUDING IJB)</b>	<b>2,952</b>	<b>6,058</b>	<b>6,699</b>	<b>1,244</b>	<b>534</b>	<b>17,487</b>

### Breakdown of Planned Savings

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
<b>EXISTING SAVINGS (previously agreed by Council)</b>						
Finance staffing reductions	0	0	-85	0	0	-85
Shared Services Arrangement - Internal Audit	-45	-14	0	0	0	-59
Project Manager cost saving City Deal	0	-80	0	0	0	-80
Income generation	-1,000	-1,000	-500	0	0	-2,500
Asset Review	-1,000	-1,000	-1,000	0	0	-3,000
Reduction in budget for IMI	-235					-235
Redesign of libraries service	-120					-120
Further asset review savings	-600					-600
Income generation	-120					-120
<b>TOTAL BUDGET SAVINGS &amp; EFFICIENCIES</b>	<b>-3,120</b>	<b>-2,094</b>	<b>-1,585</b>	<b>0</b>	<b>0</b>	<b>-6,799</b>



**REPORT TO:** East Lothian Council

**MEETING DATE:** 27 August 2024

**BY:** Director of Health and Social Care

**SUBJECT:** Rate Increase for Crookston Care Home

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**5**

## **1 PURPOSE**

- 1.1 To make Members aware of the new standard rate for self-funded residents within the East Lothian Health and Social Care Partnership's Crookston Care Home.

## **2 RECOMMENDATIONS**

- 2.1 That Members note the increase in charges for Crookston Care Home to £1,557 per week in order to comply with requirements Section 22 of The National Assistance Act 1948 and the Charging for Residential Accommodation Guidelines (CRAG) that have been issued by the Scottish Government.
- 2.2 That Members note that the new charges will apply to existing and new residents from 30 September 2024 and that this will only impact payments from self-funding residents.
- 2.3 That Members note that The Abbey Care Home in North Berwick and Belhaven Nursing Home in Dunbar no longer have any residents and have now closed.

## **3 BACKGROUND**

- 3.1 Section 22 of The National Assistance Act 1948 (the '1948 Act') imposes a duty on the Local Authority to impose a 'standard rate' charge on care home accommodation managed by the local authority. The 1948 Act requires local authorities to set the standard rate for local authority homes at an amount equivalent to the full cost, to the authority, of providing the accommodation. In cases where the local authority assesses the resident as being unable to pay that charge, a lower charge should then be applied.

- 3.2 This legislation is further clarified in the Charging for Residential Accommodation Guidelines (CRAG) issued by the Scottish Government which details the rules for charging residents within care home placements. These rules state that:
- Clause 01005: 'requires local authorities to set the standard rate for local authority homes at an amount equivalent to the full cost to the authority of providing the accommodation'.
  - Clause 01009: 'In local authority managed homes, the authority must charge the full cost of providing the accommodation – the "standard rate". Where the local authority is satisfied that a resident is unable to pay the standard rate, it must assess their ability to pay and, on the basis of that assessment, decide the lower amount which should be paid.'
- 3.3 East Lothian Health and Social Care Partnership has traditionally kept the gross cost of any care home placement within our local authority owned Part IV care homes (Crookston, The Abbey and previously Eskgreen) at the same rate irrespective of the differences in the cost of running the service. An annual percentage uplift was then applied to residents in line with inflation. A recent review of the charging model for self-funded residents has been completed to bring the HSCP managed care home charging in line with the CRAG guidance, while also benchmarked against peers in other HSCP areas.

### **Processes for Charging in a Care Home**

- 3.4 All care home residents aged over 65 are entitled to have the Free Personal and/or Nursing Care (FPC/FPNC) elements of their care home placement to be met by the state. For local authority-funded residents, the FPC and FPNC elements form part of the total gross placement cost with placements means tested based on what residents are able to afford. For self-funding residents, the local authority pays only the FPC or FPNC costs and the resident is liable for the remaining cost of the placement.
- 3.5 A financial assessment is carried out on individuals who are moving into a care home. This assessment considers the individual's income, savings and property to calculate how much the person can contribute towards the cost of their placement.
- 3.6 A resident is determined to be self-funding if they have property or savings over the value of £35,000 (level for 2024/25). This threshold is set by the Scottish Government and changes annually. Residents remain self-funding until their savings drop below this threshold.

### **Current Cost of Placements**

- 3.7 The 2023/24 rate for a placement at The Abbey and Crookston was set at £1,117 per week. Belhaven Nursing Home, which is signed up to the National Care Home Contract where rates are set nationally, was kept at £888.50 for any local authority-funded residents and £1,318 for any self-

funding residents. In 2023 a 10% uplift was applied to all our homes in line with the increase in cost of living and subsequent impact on care home budgets.

- 3.8 The Partnership must still review and set the rate applicable for Crookston Care Home, which will continue to operate through the 2024/25 period.
- 3.9 All budgets remain under increased scrutiny and review, and the current rate of £1,117 does not meet the full cost of accommodation at Crookston Care Home. The annual expenditure for the home in 2024/25 financial year is forecast at £4,870,455 for the 60 residents in the home, equating to a weekly cost per bed of £1,557.
- 3.10 The forecasted expenditure in 2024/25 is based on a £400,000 savings target set for Crookston Care Home being delivered in-year.

	<b>Crookston</b>
	<b>2024/25</b>
<b>Total Expenditure</b>	<b>£4,870,455</b>
per bed	£81,174
per bed per week	£1,557

- 3.11 The charges set need to be reviewed each year and should be considered in line with East Lothian Council’s wider annual budget setting process. This review will be based on the principle of full cost recovery and therefore the actual cost of running Crookston Care Home.
- 3.12 Edinburgh Health and Social Care Partnership has recently raised their rates at their own local authority owned care homes. Rates charged range from £1,612 to £1,815 per week and represent a full cost recovery. A full breakdown can be found in Appendix 1. Private residential homes in East Lothian, which provide a similar level of care as at Crookston Care Home, charged rates for 2024/25 ranging from £1,067 to £1,485 per week.

**Proposed Changes to Charging at Crookston Care Home**

- 3.13 It is proposed that East Lothian Health and Social Care Partnership takes a similar approach to Edinburgh and seeks to increase charging at Crookston Care Home to the full cost of providing a service to bring us in line with the CRAG guidelines. The increase in rates would only apply to any self-funders in the home who would be liable for the full cost of the placement minus their FPC/FPNC allowance. Local authority residents would continue to be means tested based on their ability to pay. There are currently 11 self-funding residents in Crookston.
- 3.14 A number of options have been explored including the possibility of phasing this increase over a number of years; however, it is not considered that this approach complies with the legislation, namely Section 22 of The National Assistance Act 1948 and was not in line with the terms of CRAG (as set out in paragraph 3.2 above). These guidelines state that a local authority ‘must charge the full cost of the accommodation’ (see clause

01009 CRAG, quoted above). The 1948 Act additionally provides at section 22, subsection 2 'payment [which a person is liable to make] for any such accommodation shall be in accordance with a standard rate fixed for that accommodation'. This wording leaves no provision for a phased increase as less than the full cost of accommodation would be charged until the phasing was complete.

- 3.15 Increasing the rate of a placement at the home to the full cost of £1,557 per week represents a 39% uplift on current rates. Advice from the ELC Legal Service is that in order to be legally competent, the full rate of £1,557 must be applied to all new and existing self-funding residents for 2024/25.
- 3.16 ELHSCP will perform an annual review of the rates using data from Finance on actual spend for the home to ensure rates remain compliant with the legislation and CRAG guidelines. Based on the information outlined in Table 3.11, this will include applying any discounted rates where savings are made to Crookston's annual budget. Reviews will also enable the Partnership to take account of any annual variance in inflation.

### **Next Steps**

- 3.17 Letters will be issued to all self-funding residents impacted by the change. The correspondence will inform residents of the reason for the change and provide 30 days' notice of any rate increase. Additionally, the Partnership will prioritise the financial re-assessment of the 11 self-funding residents affected to ensure that they still qualify to meet the full cost of their care. To enable sufficient notice to be given, a timescale for implementation of 30 September 2024 is proposed.

## **4 POLICY IMPLICATIONS**

- 4.1 Not applicable.

## **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. [Interim IIA on proposals to increase charges at Crookston Care Home | East Lothian Council](#)

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – The proposed change would ensure that by 2024/25 ELHSCP will no longer be making a loss on self-funding placements in Crookston Care Home and as such is compliant with legislative requirements.
- 6.2 Personnel - N/A



6.3 Other – N/A

## 7 BACKGROUND PAPERS

7.1 None

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<b>DATE</b>	12/08/2024

## Appendix 1 – Edinburgh HSCP Care Home Costs 2024/25

Care Home	23/24 care category	23/24 charge p/w	24/25 care category	24/25 charge p/w	Difference between 23/24 and 24/25 (p/w)
Clovenstone	Residential	£1,331	Residential	£1,612	£281
Ferrylee	Residential	£1,522	Residential	£1,815	£293
Ford's Road	Residential	£1,426	Residential	£1,631	£205
Jewel House	Residential	£1,311	Residential	£1,646	£335
Inch View	Residential	£1,385	Nursing	£1,716	£331
	Nursing	£1,575			£141
	Specialist Dementia	£1,883			£-167
Marionville Court	Residential	£1,375	Nursing	£1,668	£293
	Nursing	£1,564			£104
	Specialist Dementia	£1,870			£-202
Royston Court	Residential	£1,422	Nursing	£1,654	£232
	Nursing	£1,619			£35
	Specialist Dementia	£1,937			£-283
Castlegreen	Nursing	£1,099	Nursing	£1,621	£522
	Specialist Dementia	£1,300			£321
North Merchiston	Residential	£941	Nursing	£1,621	£680
	Nursing	£1,060			£561
	Specialist Dementia	£1,253			£368
<b>Average</b>		<b>£1,437</b>		<b>£1,665</b>	<b>£225</b>

**REPORT TO:** East Lothian Council

**MEETING DATE:** 27 August 2024

**BY:** Executive Director for Place

**SUBJECT:** Local Development Plan 2: Evidence Report

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**6**

## **1 PURPOSE**

- 1.1 The purpose of this report is to present the Local Development Plan Evidence Report for approval by Council.

## **2 RECOMMENDATIONS**

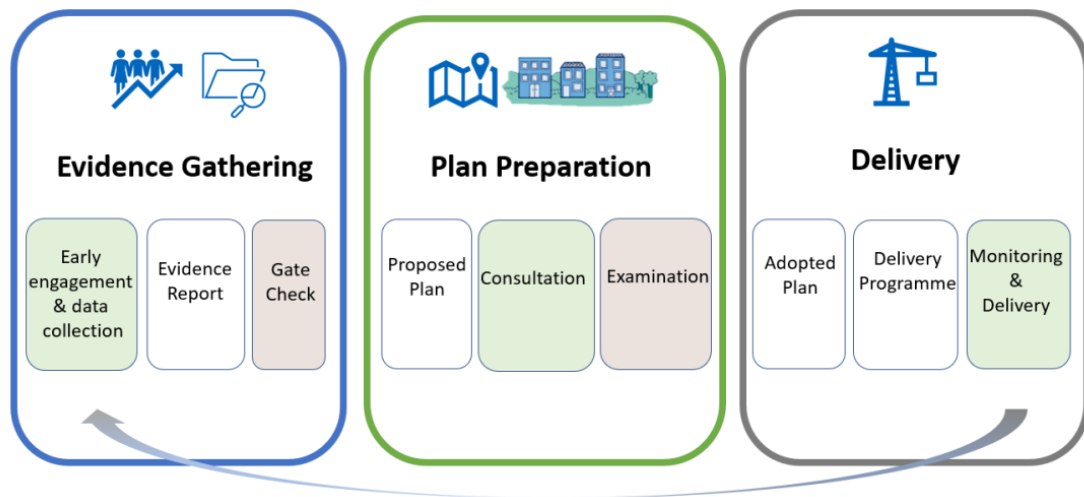
It is recommended that Council:

- 2.1 Approves the Evidence Report, available through the following link: <https://arcg.is/1nPDub0> and associated documentation, available through this link [Evidence Report | East Lothian Council](#);
- 2.2 Delegates responsibility to the Chief Planning Officer to make final changes, of a non-material nature, to the Evidence Report and associated documents; and
- 2.3 Agrees that the Evidence Report be subsequently submitted to the Scottish Government's Department of Planning and Environmental Appeals (DPEA) for the Gatecheck process.

## **3 BACKGROUND**

- 3.1 The Planning Act (Scotland) 2019 introduced a new Development Plan process. Collectively, the documents that make up the Development Plan contain policy and strategy that will be used to determine planning applications. Through the changes to the Planning Act, National Planning Frameworks became part of the Development Plan. National Planning Framework 4 (NPF4) came into force in February 2023 and forms one half of the Development Plan.

- 3.2 The other half of the Development Plan is made up of Local Development Plans. All councils in Scotland are required to produce a Local Development Plan, taking into account the strategy and policy in NPF4. In the case of East Lothian, when finalised, this will represent our second Local Development Plan (LDP2) and will supercede the 2018 Local Development Plan.
- 3.3 This report deals with the first substantive stage of the preparation of LDP2, the Evidence Report. The diagram below sets out the three main stages in the LDP process.



- 3.4 The purpose of the Evidence Report is to bring together information required to produce the LDP, justify the Plan's content, and provide a baseline for later monitoring.
- 3.5 The Evidence Report supports the quality and effectiveness of the LDP, given its significant implications for people, places and finances. The aim is to front-load the work and use the evidence to clearly inform what to plan for before the Proposed Plan looks at where development should take place.
- 3.6 Importantly the Evidence Report is not expected to contain all the detail of evidence, it should provide a summary of what the evidence means for the plan. It represents the evidence available at a point in time.
- 3.7 Other information will become available during the preparation of the LDP and this will be taken into account. An example is the information in Local Place Plans (LPPs) being produced by community groups. LPPs have primarily map based outputs and these cannot be reflected in the Evidence Report. They will be taken into account in the preparation of the Proposed Plan.
- 3.8 While the Evidence Report does contain or reference the information required to produce the LDP it does not contain any new development sites or propose any policy changes. The only strategy decision it makes is setting the Housing Land Requirement.

- 3.9 The Evidence Report has been prepared over the last year and a half through extensive discussions with a wide variety of stakeholders to ensure we have the right information to progress with the next stage of the LDP.

### **Consultation**

- 3.10 One of the requirements of this stage of the process is to have wide-ranging engagement with stakeholders. The Planning Act sets out a range of key agencies and other groups in society that must be the focus of engagement.
- 3.11 A wide range of methods were used for engagement including online questionnaires, drop-in sessions, focus groups and the use of online tools such as the place standard, which allows residents to score the quality of their local area.
- 3.12 To avoid consultation overload, we engaged with communities alongside similar exercises for the Local Housing Strategy, Poverty Plan, Tree and Woodland Strategy and the Local Economy Strategy.
- 3.13 To meet the requirements of the Planning Act and our duties under the United Nations Convention on the Rights of Children (UNCRC), extensive engagement was carried out with children and young people of all ages.
- 3.14 There was a particular focus on engaging with school children, with questionnaires and in-person events being held in the majority of the county's schools to gain an insight into the issues in their communities that children think should be addressed over the next 10 years. This work was supplemented by the production of the Play Sufficiency Assessment which was approved by Council in April of this year.
- 3.15 The text in the Evidence Report and Background Papers has been developed in conjunction with other Council services to ensure alignment with the many other work streams of the Council.
- 3.16 The key points raised in this engagement are included in the Evidence Report and the Summary of Engagement document.

## **4 POLICY IMPLICATIONS**

- 4.1 When adopted, the LDP will be the Council's view on where development should take place over the next ten years and as such it is a key corporate document. The next LDP will be set within a different policy context from previous development plans.
- 4.2 The Scottish Government declared a housing emergency in May this year. Whilst the Council has not declared its own emergency, it is currently developing an action plan in response to the current housing crisis. The Council has declared its own climate and nature emergencies and has strategies in place to help respond to these. As such the strategy and

policy will need to be developed in a manner that allows suitable levels of development while putting an increased emphasis on the impact on the climate and biodiversity enhancement. To provide financial efficiencies and positive climate impacts, the LDP will also have to look to use existing infrastructure first before new or extended facilities are considered.

- 4.3 Given the financial challenges facing the Council, there will have to be much higher scrutiny of the financial implications of LDP2, particularly in terms of revenue funding associated with new development.
- 4.4 LDP2 will likely continue with the delivery of many of the allocated elements of LDP1. Only around half of the housing allocations and associated infrastructure set out in LDP1 have been delivered to date meaning that around 8,000 houses remain to come forward along with school and community projects.
- 4.5 The levels of housing already allocated in East Lothian mean that it is proportionately accommodating the most amount of new housing development of any local authority in Scotland. Consequently, up to 2040, the population of East Lothian is expected to grow at a much higher rate than the rest of Scotland.
- 4.6 The financial implications of a growing population, supported by new capital infrastructure and the ongoing associated revenue costs, is placing very significant challenges on the Council, which is unsustainable. The Council has continued to raise these issues both nationally and locally within our community, and this remains a significant and ongoing challenge. This is set against the position that East Lothian receives the third lowest financial settlement of all the Scottish local authorities and the lowest of any non-city council.
- 4.7 Through the engagement on the Evidence Report, many issues were identified that the LDP could try to address. These are highlighted in the Evidence Report.
- 4.8 Also, while the Evidence Report does not contain a spatial strategy there are spatial considerations that will evidently impact on the development of future approaches. Many of these issues were also highlighted through the engagement on the Evidence Report. Key issues for the plan to consider are:
  - East Lothian has little brownfield or vacant and derelict land to accommodate new development, substantially less than other parts of Scotland. This limits the ability to focus development on these areas, as promoted through NPF4;
  - The county has proportionately one of the highest levels of prime agricultural land in Scotland. Many responses were received on the need to protect this national asset from development.
  - The county is recognised as one of the most attractive in Scotland and many areas are protected for their landscape value and importance to the natural environment;

- A need for more affordable housing and smaller and adaptable housing units to cater for the needs of the population;
  - A need to ensure local services are provided alongside housing development, particularly health facilities;
  - Improved sustainable transport options are needed;
  - Addressing transport congestion in the west of the county and in some town centres;
  - Addressing the impacts of climate change, particularly flooding and coastal erosion; and
  - Improvement of green routes and nature networks.
- 4.9 Further information on the points raised is available in the Evidence Report and in the Background Papers.
- 4.10 There was ongoing engagement with the Key Agencies in the development of the Evidence Report and from those that responded all are content that the information in the Evidence Report is sufficient to proceed with the LDP. This includes NatureScot, Historic Environment Scotland and Scottish Water. Transport Scotland and SEPA have requested some additional details be added to the Evidence Report, and these are being addressed through ongoing discussions.
- 4.11 The only gaps in information is data on the accommodation needs of those in higher education. This will be covered by a inter-university study which will be published in the summer. There is also a gap in information on future health infrastructure requirements. We will continue to work with the Lothian Health Board to understand the impacts of our new spatial strategy on health infrastructure.

### **Housing Land Requirement**

- 4.12 The main substantive decision that the Evidence Report contains is the setting of the indicative Local Housing Land Requirement (LHLR). This figure sets how much housing (of all types and tenures) requires to come forward over the 10-year lifespan of the LDP.
- 4.13 The LDP is required to use assessments of need and demand and other available statistics and trends to identify the LHLR. The Evidence Report is required to avoid giving a view on sites where this figure could be accommodated.
- 4.14 The context for the LHLR is provided in NPF4 and Development Plan Guidance which set out the need to have a LHLR, the process for its identification and minimum housing figures that LDPs are meant to exceed through the setting of the LHLR. This Minimum All Tenure Housing Land Requirement (MATHLR) is set at 6,500 houses for East Lothian.
- 4.15 In 2021, as part of preparing the NPF, the Scottish Government undertook a consultation exercise to ask local authorities at what level they thought

the MATHLR should be set. The Scottish Government undertook a methodology which involved adding a degree of flexibility to the first stages of the Housing Needs and Demand Assessment (HNDA) process to arrive at a figure of 6,400 houses for East Lothian. East Lothian Council responded, recommending a figure of 6,450 houses. The final figure in the adopted NPF4 ended up as 6,500 houses, with an expectation set out in NPF4 that that councils should exceed their NPF figure.

- 4.16 Since then, there have been changes to the Development Plan Guidance which changed the context for the LHLR and delays to the finalisation of national guidance. Most significantly, the financial operating environment has changed significantly, and the significance and scale of the financial challenges being faced makes it very difficult to accommodate housing growth, both infrastructure and ongoing revenue running costs. Therefore, although the Council supported the 6,450 figure in 2021, the situation has changed now to make this approach much more challenging.
- 4.17 The Council is underfunded to accommodate the levels of growth it is experiencing. The Council's developer contributions framework was initially successful in gathering the required capital costs to provide community infrastructure. However, in recent years there has been significant challenges globally to supply, risk and design requirements which have resulted in very significant increases in construction costs, which are not adequately addressed through the S75 process meaning the Council has to fill the funding gap for key infrastructure. In addition, around three quarters of the Council's revenue running costs is met from national funding settlement. The Council has one of the lowest local authority financial settlements in Scotland, making it very difficult to meet existing service demands, with the additional revenue demands resulting from a growing population. This growth is now presenting an unsustainable position.
- 4.18 The Council held a consultation exercise in early 2024 which set out a preferred housing land requirement of 5,000 houses, accepting that this was lower than the figure in NPF4 but set in the context of the challenging financial position being faced by the Council. This approach was promoted as it represented an estimate of how much housing land would remain to be delivered from the supply already allocated in LDP1 and would therefore require a minimum of additional housing allocations.
- 4.19 Responses to this engagement were not supportive of this view. One response from the Scottish Government, while not making a judgement on the 5,000 figure, highlighted the need for LHLRs to be higher than the figures set out in NPF4, and therefore presents a substantial risk to the authority should this position be maintained.
- 4.20 National Guidance sets out the types of information that could be used to identify a LHLR. In East Lothian the best indication of future housing need comes through the outputs of the Housing Needs and Demand Assessment (HNDA) process, and it is a requirement of the new planning process that a HNDA is produced in line with the agreed national



methodology. This was undertaken by the old SESplan authorities and signed off by the Centre of Housing Market Analysis (CHMA) as being robust and credible, a recognition that the process and assumptions that went into the exercise were sound.

- 4.21 The HNDA produced a need and demand figure of 476 houses per annum for East Lothian. HNDA figures are not housing land requirements and there is a recognition in national guidance that they are a starting point for the consideration of a final LHLR.
- 4.22 Also, this figure is clearly lower than the MATHLR figure in NPF4 so the final LHLR will need to be higher to reflect the policy requirements set out in NPF4, national development plan guidance, the need for additional housing, and reflects the national housing emergency while taking into account the existing levels of allocated housing sites.
- 4.23 In the development of the NPF4 housing figures, the Scottish Government added a 25% flexibility to their housing calculations for East Lothian. This 25% allows for flexibility in the actual delivery of sites and factors in the event that some sites will not come forward as fast as expected or at all. This ensures that even with this unpredictability in the housing market, the base housing needs can still be achieved.
- 4.24 Following a similar approach for the LHLR would seem an appropriate route to identifying the LHLR. Adding 25% to the HNDA figure of 476 would still not address the policy issue set out in NPF4 of having to exceed the MATHLR. Therefore, an increased flexibility is required to ensure the delivery of the housing sites required and meet the wording of NPF4. Adding 40% flexibility to the HNDA figure would produce a figure of 6,660 houses. This is a significant increase over the findings of the HNDA exercise and would meet NPF4 policy.
- 4.25 The figure of 6,660 houses provides for a considerable level of additional housing, respects the locational challenges of the area to meet higher levels of housing and meets national policy.
- 4.26 It is recognised that should Council agree to a figure which is in addition to the current position, this will continue to place enhanced financial pressures for the Council to meet, and this position remains financially unsustainable. Enhanced national conversations to align national planning, wider policies with adequate financial resources must be progressed to allow Council assurance that, if approved, the Council can adequately resource the costs associated with a growing population. This will continue to be further progressed and evidenced through the LDP process.
- 4.27 It is, however, recognised the national planning guidance through NPF4 strongly recommends that there remains an expectation that local authorities will progress with a higher allocation than is set out, and in the balance of evidence and associated risk, officers are therefore recommending that the figure of 6,600 is progressed, recognising that financial clarity to support this remains essential.

- 4.28 It is important to note that at present there are around 8,000 houses still to be built from existing housing allocations. This represents considerable growth and is similar in number to that which has been experienced over the last five to ten years.
- 4.29 It is also important to note that setting the LHLR at 6,660 does not mean that sites for an additional 6,660 houses are required. Housing that has already been allocated can be counted as contributing towards this total requirement. However, only the houses still to be built at the adoption date of the LDP (currently estimated to be 2026) can be counted towards the next LDP. At present it is estimated that around 5,000 houses could contribute to the next LDP, leaving a shortfall of around 1,660 houses to be allocated, although this figure would need to be confirmed through the next stages of the LDP.
- 4.30 Several alternative views on the LHLR have been presented during the development of the Evidence Report. These are summarised in the Housing Land Requirement Background Paper. These LHLR figures range from 8,000 houses to 16,000 houses. The justification for these figures is varied and include a desire to continue recent house building trends, an apparent need to allocate significant levels of housing to address housing affordability, to create jobs and also to bring income into the Council. A study was also submitted challenging the assumptions made through the national HNDA methodology.

### **Next Steps**

- 4.31 If agreed by Council, the Evidence Report will be submitted to the DPEA for the Gatecheck process following some non-material formatting. It is then the job of the Reporter assigned to East Lothian's case to decide whether we have sufficient evidence to proceed to the next stage of the Plan Preparation stage of the LDP process.
- 4.32 At the Gatecheck stage the Reporter could ask for additional information and will take into account alternative views received through the Evidence Report engagement exercise. They will conclude whether we can move to the next stage in the LDP process and importantly they will decide on the Housing Land Requirement that should be delivered through LDP2, taking into account the Council's agreed position and that presented by other parties.

## **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.

The next LDP spatial strategy and any policy changes which may arise from the evidence in this report, will be subject to Integrated Impact Assessment at that stage.

## **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – The allocation and delivery of additional housing and associated infrastructure will put considerable and possibly unsustainable strain on the capital and revenue budgets of the Council. There will also be a financial cost to the Council of paying for the Reporter’s time during the Gatecheck exercise.
- 6.2 Personnel – There is a large number of additional requirements placed on the LDP process through the 2019 Planning Act. These include additional subject areas that require inclusion in the LDP and wider engagement with stakeholders. These extra unfunded requirements will put pressure on Council staff in the Planning Service but also in other services such as Education, Transportation, Housing and Amenity Services.
- 6.3 Other – None

## **7 BACKGROUND PAPERS**

- 7.1 Evidence Report and Associated documents.

<b>001</b>	<b>Evidence Report</b>
<b>003</b>	<b>Climate Emergency</b>
<b>004</b>	<b>Health</b>
<b>005</b>	<b>Nature Emergency</b>
<b>006</b>	<b>Spatial Strategy and Infrastructure Delivery</b>
<b>007</b>	<b>Transport</b>
<b>008</b>	<b>Natural Environment</b>
<b>009</b>	<b>Countryside</b>
<b>010</b>	<b>Energy Efficiency/Generation/Infrastructure</b>
<b>011</b>	<b>Minerals</b>
<b>012</b>	<b>Housing Land Requirement</b>
<b>013</b>	<b>General Housing</b>
<b>014</b>	<b>Economy</b>
<b>015</b>	<b>Tourism</b>
<b>016</b>	<b>Town Centres</b>
<b>017</b>	<b>Historic Environment</b>

027	Summary of Evidence Report Engagement and associated reports
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<b>DATE</b>	21/07/24

**REPORT TO:** East Lothian Council  
**MEETING DATE:** 27 August 2024  
**BY:** Executive Director for Place  
**SUBJECT:** East Lothian Poverty Plan 2024-2028

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**7**

## **1 PURPOSE**

- 1.1 To seek Council approval of the East Lothian Partnership's Poverty Plan 2024-2028.

## **2 RECOMMENDATIONS**

- 2.1 That Council approves the East Lothian Poverty Plan 2024-2028, including the outcomes and actions contained within the Plan.

## **3 BACKGROUND**

- 3.1 The Child Poverty (Scotland) Act 2010 set targets for the reduction of child poverty by 2030 and places duties on Scottish Ministers to prepare delivery plans regularly, and report annually on progress. Local authorities and health boards must produce annual reports on progress towards these targets and activities related to the key outcomes:

- helping people into fair, well-paid jobs
- supporting people with the cost of living
- increasing awareness and uptake of social security benefits

- 3.2 Since the East Lothian Poverty Commission in 2016, East Lothian Partnership have been working strategically to address the drivers of poverty and pave sustainable routes out of poverty. The first plan in 2017 set out our approach based on the Poverty Commission's report recommendations. 2020 brought the unforeseen impacts of COVID-19

and cost-of-living crisis and our 2021-2023 Plan balanced addressing the short-term impacts of these crises with the long-term drivers of poverty.

3.3 Poverty in East Lothian is rising at a time of reduced resources. We know that:

- Since our last Poverty Plan in 2021, East Lothian Foodbank use has increased by 99%. This makes it the fifth busiest foodbank in Scotland.
- 21% of children in East Lothian live in relative poverty.
- 393 households were in temporary accommodation in 2022-23, including 150 children.
- 1908 pensioners claim Pension Credit.

3.4 Following a review of the East Lothian Poverty Plan 2021-2023 that found that 12% of actions had been completed, 82% of actions were in progress with work continuing beyond the life of the plan, and 6% of actions had been deprioritised or delayed. A new plan was developed through:

- Initial engagement with the public across all six areas of the county.
- Focus group sessions with statutory and third sector partners at two Network for Change meetings and at the Network for Change Conference.
- Poverty self-assessment in partnership with the Improvement Service to identify areas for improvement in our approach to tackling poverty. Initial in-person session was followed by an online survey. Results were analysed by the Improvement Service and in two further sessions looked at the actions needed to make these improvements.
- Thematic sessions on gender, disability, climate change, childcare and crisis support took place based on gaps identified in our approach as well as equalities planning.
- Lived experience groups were consulted across the development period. The Working for Change Collective, Growing and Changing youth group, S2 School consultation group were specifically engaged.
- An online consultation on Consul ran, giving members of the public an opportunity to influence the plan. In-person consultation sessions were organised for internal colleagues and externally for members of the public and the third sector.

### 3.5 **The East Lothian Poverty Plan Key Outline**

3.5.1 East Lothian Partnership's plan to tackle poverty focuses on 4 key objectives that focus on getting more cash in people's pockets, living in resilient communities that are ready for the future. In line with Scottish legislative requirements, we will focus on:

- Good quality jobs that pay fairly, where we support people to gain the skills and training needed to find and maintain work, in secure, flexible jobs that pay fairly.
- Enough money from benefits: our social security system should provide people with a fair income, but millions of pounds go unclaimed each year. We will support people to claim the income that they are entitled to and provide support with the cost of living.
- A good life with access to the essentials: housing, good health, quality food and a resilient community are part of our human rights. We will take a preventative approach to homelessness, hunger and health inequalities caused by poverty.
- Climate change ready: climate change will impact vulnerable and low-income communities the hardest. We will take preventative action to protect and support these communities from the effects of climate change.

### 3.5.2 The way we will work will promote these outcomes:

- Making sure that poverty is everybody's business, and that actions to tackle poverty are part of every service plan. We will make sure that those making budget decisions understand how poverty affects people in East Lothian.
- Working in a way that is person-centred and stigma- and trauma-informed. We have heard very clearly that stigma is preventing people from reaching out for support. We will make sure that our services are approachable, discreet and offer dignity and choice. We will help our workforce understand the impact of trauma and poverty.
- Working effectively as a partnership, we will build on our existing strong partnership in East Lothian. We will share resources and knowledge more effectively, using shared data to identify tailored solutions, and work towards a collective vision for East Lothian.

### 3.5.3 We want to make sure we are doing all we can, as effectively as we can. As part of the development of this Plan we assessed our approach to tackling poverty using the Improvement Service's self-assessment and identified key areas for improving our approach. This will be underpinned by specific improvements we need to make to our current ways of working.

- Improve our ability to use data and intelligence from across the partnership to identify and reach low-income families who might otherwise be hidden.
- Improve our engagement and quality of relationship with a wide range of low-income households to better understand and act upon what they tell us.
- Support access to affordable housing through increase of supply across all tenures.

- Prioritise fair work and job creation, capitalising on community wealth building and the role of anchor institutions to support households experiencing poverty.
- Provide awareness raising and anti-stigma training for staff and elected members at all levels.
- Ensure we have a framework that makes responsibilities clear and highlights how individual and joint actions are contributing to poverty outcomes.
- Improve our approach to holistic rather than siloed evaluations so we understand the true impact of our actions on households, communities, and East Lothian as a whole.
- Ensure a wide range of third sector voices are given an equal voice in discussions around child poverty policy and the delivery of services.
- Explore place based, whole family, collaborative approaches to supporting low-income families. Work in spaces that people feel comfortable in, and where they can access a range of services and information at the same time. These spaces are free from stigma and trauma-informed.
- Support the work of the Raising Attainment Strategy in closing the poverty related attainment gap in East Lothian schools, including the work around the cost of the school day.
- Communicate clearly about our services across multiple platforms and formats that our audiences use. Create child- and community-friendly versions of reports when it is appropriate to do so (for example when the content pertains to them).
- Ensure that we are using all levers available locally to make our childcare offer flexible and affordable, providing parents the right support at the right time.
- Improve staff and volunteer wellbeing through better support for our workforce experiencing burnout.
- Use our experience of delivering services and the experiences of our communities to make the case to UK and Scottish Governments to make the changes required to tackle systemic poverty and inequality.
- Ensure our transport system supports our partnership approach to tackling poverty and is adaptive to the needs of our communities.
- Embed human rights (and children's human rights) within our approach to tackling poverty, ensuring progressive realisation for rights holders.



## **4 POLICY IMPLICATIONS**

- 4.1 The East Lothian Poverty Plan 2024-2028 includes actions that the Council and the East Lothian Partnership can put in place to contribute to reducing inequalities and breaking the cycle of poverty in East Lothian.

## **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 - the Plan requires decision makers to consider the implication of funding decisions on our ambitions to tackle poverty and wherever possible protect early intervention and prevention work.
- 6.2 Personnel - the Plan will require staff from the different partners to work together to deliver outcomes and improvements.
- 6.3 Other – none identified.

## **7 BACKGROUND PAPERS**

- 7.1 East Lothian Poverty Plan 2024-2028

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<b>DATE</b>	8 <sup>th</sup> August 2024

# East Lothian Partnership Poverty Plan

## Priorities for Tackling Poverty 2024-2028



Picture source: Over 60's Christmas Lunch



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# East Lothian Partnership Poverty Plan

*I've been eating toddler portions to make sure my kids have enough. The kids laugh but I don't. Nothing is easy and nothing is spared, even the bath water has to last for all of us.*

Member of the Working for Change Collective

## Executive summary

East Lothian Partnership's plan to tackle poverty focuses on **4 key objectives** that focus on getting more cash in people's pockets, living in resilient communities that are ready for the future. These focus on:

- **Good quality jobs that pay fairly**, where we support people to gain the skills and training needed to find and maintain work, in secure, flexible jobs that pay fairly.
- **Enough money from benefits**, our social security system should provide people with a fair income, but millions of pounds go unclaimed each year. We will support people to claim the income that they are entitled to and provide support with the cost of living.
- **A good life with access to the essentials**. Housing, good health, quality food and a resilient community are part of our human rights. We will take a preventative approach to homelessness, hunger and health inequalities caused by poverty.
- **Climate change ready**, climate change will impact vulnerable and low-income communities the hardest. We will take preventative action to protect and support these communities from the effects of climate change.

**The way we will work** will promote these outcomes.

- Making sure that poverty is **everybody's business**, and that actions to tackle poverty are part of every service plan. We will make sure that those making budget decisions understand how poverty affects people in East Lothian.
- Working in a way that is person-centred and **stigma- and trauma-informed**. We have heard very clearly that stigma is preventing people from reaching out for support. We will make sure that our services are approachable, discreet and offer dignity and choice. We will help our workforce understand the impact of trauma and poverty.
- Working effectively as a **partnership**, we will build on our existing strong partnership in East Lothian. We will share resources and knowledge more effectively, using shared data to identify tailored solutions, and work towards a collective vision for East Lothian.

This will be underpinned by specific **improvements we need to make** to our current ways of working. These include actions around our housing, transport, childcare, and economy. It will require changes in the ways we work with people with lived experience of poverty, how we evaluate our projects, share our data and shape our places. It will also shape how we deliver our services, communicate about our work, and advocate for East Lothian residents.

We believe everyone in East Lothian deserves to live a life free from poverty. We will strive to make sure that people have the opportunities and support needed for long term financial stability, and be able to afford a decent standard of living.

5,801 households in East Lothian used East Lothian Foodbank in 2022-23. 13,927 people were fed.

Since 2012, Foodbank use has increased by 200%



## Introduction

**Poverty is about more than a simple lack of money. It is forced upon people through complex circumstances.**

**Poverty has a significant, negative impact on people's wellbeing, confidence, and sense of worth.**

**Poverty is never a choice. It is a human rights issue. People have a right to an adequate standard of living, to feel included and able to participate in their community.**

East Lothian is an attractive place to live and work. We are proud to be surrounded by rich landscapes and history, and benefit from our proximity and ties to Edinburgh. But East Lothian is not an easy place to be poor, with significant inequality between and within our communities.

**East Lothian Partnership** is committed to tackling poverty and inequality in our communities. Since the **East Lothian Poverty Commission** in 2016, we have been working to address the drivers of poverty and pave sustainable routes out of poverty. The first plan in 2017 set out our approach based on the Poverty Commission's report recommendations. 2020 brought the unforeseen impacts of Covid-19 and cost of living crisis and our 2021-2023 Plan balanced addressing

the short-term impacts of these crises with the long-term drivers of poverty.

The Partnership has achieved a great deal in the last 8 years, but economic and environmental uncertainty remain. Those already experiencing poverty are facing ever starker choices. Since our last Poverty Plan in 2021, East Lothian Foodbank use has increased by 99%. Since it opened in 2012, usage has increased by 200% making it the fifth busiest Foodbank in Scotland.<sup>i</sup>

Rising hunger and hardship have a devastating impact on people's physical and mental health. Those living in the richest areas of East Lothian will live up to 9 years longer than those living in our most deprived communities.<sup>ii</sup> Because of poverty, more of these years will be impacted by poor health.

The next 3 years are going to be a very challenging time. Deep poverty and destitution are rising, and many are facing poverty who have not experienced this level of hardship before.

Our Partnership faces significant funding challenges at the same time as we adapt to a fast-growing population. Since the last Census in 2001 our population has grown by 25% and will continue to grow in future. This change is happening across all age groups including children and older people. These are two groups who are particularly vulnerable to poverty and through this Plan we will ensure we are able to remain responsive to growing or changing needs.

East Lothian Council faces an estimated recurring financial gap of over £70 million over the next five years. Third sector partners continue to be impacted by short-term funding cycles that restrict their strategic planning.

Poverty in East Lothian is not new, and through this plan we will take an early intervention, preventative, long-term approach to tackling it. Our plan will be flexible and responsive, set within the context of what we can influence at a local level. No single agency or service can end poverty alone, we will work in partnership towards a shared vision of equality and equity.

We will continue to adapt to the needs of our communities and the voice of lived experience as we work towards our vision for everybody in East Lothian to live a life that is free from poverty. A human rights approach will continue to underpin our approach to addressing poverty and will be embedded in the Partnership response. We will ensure the Partnership are committed to maximising available resources and progressive realisation of rights.

A partnership action plan will be developed and published separately. Progress towards both will be reported on annually.

*I log onto Facebook and the first thing I see is someone complaining about people on benefits. We get accused all the time that we're lazy or scroungers, or that we're having the time of our lives on benefits.*

*I wish they could see the reality. You're constantly jumping through hoops, constantly feel like you're being judged and that they're trying to take something away.*

*I'm glad I can work but the restrictions are awful.*

Member of the Working  
for Change Collective



Poverty takes away people's choices. Through this strategy and action plan we will endeavour to give individuals these choices back.

# East Lothian data trends

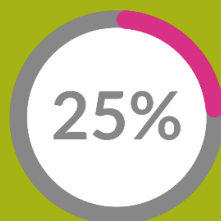
The population in East Lothian is changing, and so is the experience of poverty.

## Children

- 21% of children are living in relative poverty.
- 4,877 children and young people under the age of 16 were fed by East Lothian Foodbank in 2022-23 (36% of households accessing the Foodbank).
- 150 children were in temporary accommodation in 2022-23.



393 households were in temporary accommodation



population increase since 2001 Census



of children are living in relative poverty



increase in East Lothian Foodbank use since 2012

- East Lothian's population is growing rapidly. It is estimated that in 2023 there were 48,440 households in East Lothian. This is the second highest increase in Scotland.<sup>1</sup>
- East Lothian has 13 data zones which are in the 20% most deprived in Scotland. The most deprived areas are in Tranent, Wallyford and Macmerry, Prestonpans and Musselburgh, which are all in the west of the county.
- 1,532 people were receiving Universal Credit and searching for work in East Lothian in 2022-23.
- The mean household income in East Lothian in 2020 was £45,105. However, there is significant variation between quintiles. Median lower income ranges from £23,471 in Preston Seton Gosford, to £34,598 in North Berwick.
- During 2022/23, East Lothian Foodbank provided food parcels for 13,656 people, (25% increase from 2021-22). Of those fed 4,877 (36%) were under the age of 16.

## Adults

- Universal Credit (UC) claimants increased from 5,842 (Feb 2020) to 9,786 (Feb 2024) – an increase of 67.5% (41% men 59% women). 8.3% of working age population in North Berwick Coastal ward claim UC, compared to 16.9% in Tranent, Wallyford, Macmerry and 18.3% in Musselburgh wards.
- 393 households were in temporary accommodation in 2022-23.
- The Full Time median hourly pay for people living in East Lothian in 2023 was £17.71 compared to the Scottish average of £18.10.

This difference is due to a substantially lower rate of pay for females. The median for males is £18.82 (Scottish median of £18.17) whereas for females the median is £16.88 (Scottish median of £18.00).

- Estimates show that up to half of East Lothian residents commute from the county for employment, many to take up higher paid jobs in Edinburgh. Approximately 12% of the total working-age population are registered as self-employed.<sup>iii</sup>

## Older people

- 1,908 pensioners claim Pension Credit in East Lothian.
- Living in poverty decreases average life expectancy by 8 years.

# 2022-23 Achievements



**£360,000 top up  
of Scottish Welfare Fund**  
**£180,000 as cash payments**



**£3,694,913**  
**Debt handled for 475 clients**  
(East Lothian Advice  
Consortium)



**1,428 people**  
**£798,535.94 awarded**  
**Supported through**  
**Community Windpower funding**



**£5,164,016.45**

Financial gains achieved  
through Finance  
and Advice Services



**£1,021,291**

Provided as cash first support



**13,927 fed**

by East Lothian Foodbank,  
from 5,801 households



# What we mean when we say...

## Poverty

Poverty means different things to different people. It can mean going to bed instead of turning the heating on. Or splitting a tin of beans over several days. Poverty is the tough choices people have to make because of their low income.

We measure poverty in two ways:

**Relative low income:** This refers to people living in households with income below 60% of the median<sup>1</sup> in that year.

**Absolute low income:** This refers to people living in households with income below 60% of median income in a base year, usually 2010/11. This allows us to compare levels over time.

## Stigma

Stigma is the feeling of disapproval or shame that people can feel (or be made to feel) when they reach out for support.

This can be caused by internal feelings of pride, fear, or external factors like negative coverage in the press or by politicians.

Stigma can impact how people experience support, and when we talk about being stigma-informed we are referring to how we will change, adapt or dismantle the way we do things to make sure that people do not feel frozen by shame or disapproval when they speak to us.

We cannot change what is happening inside for people, but we can make sure that we are approachable, personable, and patient.

## Trauma

Trauma can describe a one-off event or series of events in someone's life which is painful or distressing, and which can result in lasting mental or physical, social, and spiritual side effects.<sup>iv</sup>

Exposure to traumatic events is common. It affects the people we work with every day. This includes, our colleagues, the people we work with in the community, use the services we offer and come to us for help.

## People with lived experience

People with lived experience are people with direct first-hand experience of poverty. This could be something they experienced today or 20 years ago. We are seeking to learn from their experience.

Poverty has long-term and wide-ranging impacts on a person's life. We seek to understand the broad range of experiences so that we can design better services that are person-centred

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<sup>1</sup> Median income is the point at which half of households have lower income and half have higher income.

# What our local community has told us...

*I've been eating toddler portions to make sure my kids have enough. The kids laugh but I don't. Nothing is easy and nothing is spared, even the bath water has to last for all of us.*

*Why do people have to hit rock bottom again and again before they get any support?*

*I only shower once a week now and it feels like it is back to my youth when we had a bath one a week in a tin bath in front of the stove in the living room because the house was so cold.*

*Families that are just on the threshold of not being able to claim benefits are worst hit especially with children. All children should be receiving free school meals and uniform unless parents are making extraordinary amounts of salary. Something needs done for these families. There are lots of benefits being put in place for people on UC and in my post I see this money being wasted day in day out with families who qualify and large families getting enough to live on. I think more advertising needs to be put in place for people to know what's out there.*

*I live in a council house as a single person with children at college. I earn a decent salary that's nowhere near minimum wage. I have no money left for half the month after all my bills and living costs come off. I don't have my heating on much I have cut all bills back as much as I possibly can. This is no way to live and I know many people will be worse off than me.*

I despair at what the cost of childcare will rise to next.

Currently it is so challenging to put one child through nursery, however can you imagine how tough it is when you need to support two or more due to multiple births on top of supporting any other children whom you might have.

It is something which keeps me awake at night and each time I look at my twins and eldest I feel like I will let them down because ultimately I cannot afford their childcare and if I leave my job then this will have a huge impact on me gaining employment at a later stage.

I will lose my home as my husband's income will not be enough to support a remortgage next year and I am trying so hard to see a solution out with leaving work however to be honest I cannot no matter how much I try.

The truth is my wage is £2,700 a month and childcare costs will be between £3,200 - £3,700 in total a month.

# Understanding events which can move people into poverty.

Events that erode people's income and other stability increases the risk of experiencing poverty or moving people further into it.

We understand that these common drivers may trigger the need for support.

## Job loss / reduced earnings

Job loss or reduced hours have a clear negative impact on household finances. We are seeing the rise of in-work poverty with the increase of zero-hour contracts which reduces job and income stability. Other changes like becoming self-employed can also increase someone's risk of experiencing poverty.

## Relationship breakdown or bereavement

Changes in your relationship either through bereavement or separation can have a very serious impact on the risk of experiencing poverty. It can often mean a change in housing, income, and support. For people escaping a domestic abuse/violence situation, this risk increases. Financial or economic abuse is often used as a control tactic by abusers, withholding household funds or preventing their partner from having paid employment. This increases people's vulnerability to poverty when they leave, and many rely on friends, family, or credit to survive.

## Change in health

Changes to your physical health and mobility can have an immediate impact on your ability to earn. For many, the immediate aftermath of an accident, diagnosis or long-term health condition are made worse by stress about money. These changes can also impact the finances of family members, for instance if they have to reduce their working hours in order to provide extra care.

## Growing family

Additional household costs come at the same time as reduced household income for many new or growing families. The cost of childcare is a huge issue for many working families despite policies like 1140 hours. Parents of multiple births (for example twins) face significant barriers to remaining in work because of the cost of childcare, with many families unable to continue to work.

## Poor mental health

Poverty causes poor mental health and poor mental health can cause poverty. Once in poverty, people with poor mental health are more likely to fall behind with essential costs and can find it harder to reach out for support, to find and sustain work or training, and are more likely to be socially isolated.

## Rising housing / living costs

Rising living costs means that people are not able to adjust to make savings, but instead face deepening poverty. Housing costs in East Lothian are high and downsizing is not always a feasible option within our housing stock.

Any of these life changes can cause a huge amount of stress, but **financial support is available**. We will make information about this support accessible and easy to navigate, promoting tools like our free, confidential online benefits calculator. We will also train more frontline staff to support people through this process.

# Who is most likely to experience poverty in East Lothian?

The Scottish Government have identified the following household types as being at greater risk of poverty:

- Lone parent families:  
*36% of children in relative poverty*
- Minority ethnic families:  
*37% of children in relative poverty*
- Families with a disabled adult or child:  
*30% of children in relative poverty*
- Families with a mother aged under 25:  
*44% of children in relative poverty*
- Families with a child under one:  
*32% of children in relative poverty*
- Larger families (3+ children):  
*30% of children in relative poverty*

In addition, we know that the following individuals are more likely to experience poverty or hardship:

- Care-experienced young people
- Pensioners / Older people
- Young people transitioning into adulthood
- People who are just above the threshold for financial support or benefits
- Women
- Parents of multiple births
- Gypsy/Traveller communities
- Carers (including Young Carers)

Identifying with one or more of these groups increases your risk of experiencing poverty. For example, a single parent of a disabled child is more likely to experience poverty.



# Our key objectives



## Improve access to good jobs that pay fairly.

Work offers a sustainable route out of poverty: fairly paid, flexible employment enables people to be connected to their community, with an income that supports their lifestyle.

We will provide support and opportunities for people to gain the skills needed to enter and sustain employment, including accessible and flexible childcare options.

We will tailor this support based on people's needs, and target groups who will need more support.



## Increase income maximisation for those who need it most.

Benefits should provide a social security net for households in East Lothian. We will make sure that people are informed about the income they are entitled to, and we will make sure that this process is as straightforward as we can make it.

We will provide advice and support to those who are struggling with high living costs. This includes advice on budgets, debt, and safe credit.

We will work with partners to raise awareness of the financial support available and direct households to the correct place to apply.



## Improve quality of life through access to the essentials.

Our housing, access to healthcare, good quality food and a resilient community are a core part of our human rights and are essential to our quality of life.

Through this objective we will take a preventative approach to homelessness, hunger and health inequalities caused by poverty, helping communities to thrive not just survive.



## Protect vulnerable groups from the effects of climate change.

Climate change will impact vulnerable and low-income communities the hardest. We will take preventative action to protect and support these communities.

Through the creation of new 'green' jobs, tackling fuel poverty, improving our transport links and our housing stock.

A move to a circular economy can transform current inequality and inequities.

# Ways we will work



**People with lived experience of poverty have told us how stigma has made it painful to reach out for the help they needed. Not being able to afford to socialise led people to turn inward.**

We will work to understand how people experience stigma and with them redesign our services where needed. We will make it easy to turn outward.

As a partnership we will develop trauma-informed approaches that will see a more understanding and compassionate workforce and volunteer-force who understand the impact poverty has on a person or family.

**We will continuously improve our partnership approach to tackling poverty. This will include how we collect, share and use data so that we can all understand how poverty is changing in areas.**

We will work as equal partners, acknowledging that statutory and voluntary organisations are working towards the same objectives: a better life for everyone in East Lothian. We will develop tools that everyone can use, and pathways to support that everyone feels confident using.

**Tackling poverty is everybody's business. We will make anti-poverty activities mainstream for every service that we provide. This isn't just an issue for Foodbanks or social services, this is an issue for everyone.**

We will make sure that tackling poverty is a priority in all statutory plans. In a time of cuts, we will ensure decision makers protect vulnerable people from their impact.

The Council Plan prioritises poverty and we will make sure this happens. We will use all the tools at our disposal and create new tools if the old ones aren't working.

# Improvements we will make

We want to make sure we are doing all we can, as effectively as we can. As part of the development of this Plan we assessed our approach to tackling poverty and identified key areas for improving our approach.



These improvements include actions around our housing, transport, childcare, and economy.

It will require changes in the ways we work with people with lived experience of poverty, how we evaluate our projects, share our data, and shape our places.

It will also shape how we deliver our services, communicate about our work, and advocate for East Lothian residents.

These improvements work across agendas and will improve a broad range of our partnership services.

1. Improve our ability to **use data and intelligence** from across the **partnership to identify and reach** low-income families who **might otherwise be hidden**.
2. Improve our **engagement and quality of relationship** with a wide range of low-income households to **better understand and act upon** what they tell us.
3. Support **access to affordable housing** through increase of supply across all tenures.
4. Prioritise **fair work and job creation**, capitalising on **community wealth building** and the role of anchor institutions to support households experiencing poverty.
5. Provide **awareness raising and anti-stigma training** for staff and elected members at all levels.

6. Ensure we have a **framework** that makes **responsibilities clear** and highlights how individual and joint actions are **contributing to poverty outcomes**.
7. Improve our approach to holistic rather than siloed **evaluations** so we **understand the true impact of our actions** on households, communities, and East Lothian as a whole.
8. Ensure a **wide range of third sector voices** are given an **equal** voice in discussions around child poverty policy and the delivery of services.
9. Explore **place based, whole family, collaborative approaches** to supporting low-income families.



10. Work in **spaces** that people feel comfortable in, and where they can access a **range** of services and information at the same time. These spaces are free from stigma and trauma-informed.
11. Support the work of the **Raising Attainment Strategy** in closing the **poverty related attainment gap** in East Lothian schools, including the work around the **cost of the school day**.
12. **Communicate clearly** about our services across multiple platforms and formats that our audiences use. Create **child- and community-friendly versions** of reports when it is appropriate to do so (e.g. when the content pertains to them).
13. Ensure that we are using **all levers available locally** to make our childcare offer flexible and affordable, providing parents the right support at the right time.
14. **Improve staff and volunteer wellbeing** through better support for our workforce experiencing burnout.
15. Use our experience of delivering services and the experiences of our communities to make the case to UK and Scottish Governments to make the changes required to **tackle systemic poverty and inequality**.
16. Ensure our **transport system supports our partnership approach to tackling poverty** and is adaptive to the needs of our communities.
17. Embed **human rights** (and children's human rights) within our approach to tackling poverty, ensuring **progressive realisation for rights holders**.



# How we will measure success

This plan will be accompanied by a set of actions that will set out the specific activities that we will be working on. We will monitor our progress using the measures set out below, as well as targets that are set nationally by Scottish Government.

We will publish an updated East Lothian Poverty Data Profile bi-annually in July and December.

## Annual action plan and reporting

As well as long-term objectives, our short-term actions will be reported and monitored as part of an annual action plan. This reporting will form part of our Local Child Poverty Action Report, which East Lothian Council and NHS Lothian are required to jointly produce every year.

**Our key outcomes**



**The way we will work**



**Improvements we need to make**



# Performance indicators

## Local indicators

- Numeracy and literacy in East Lothian pupils
- East Lothian Works uptake
- Number of people in work
- Increase in lower quintile household income
- Take up of benefits
- Financial Inclusion team statistics
- East Lothian Advice Consortium statistics
- Number of staff trained in financial inclusion
- Number of services co-delivered in community spaces
- Number of affordable houses delivered
- Energy advice accessed
- Number of staff trained to Level 1 & 2 Wellbeing and Trauma Skills
- Poverty and Equality Indicators

These local indicators will provide East Lothian Partners with a broad overview of how our work is impacting communities.

Specific indicators will be developed alongside the action plan that will monitor success.

*It has been so powerful to share my experiences and feel like I'm shaping things so what has happened to me does not happen again. It gives me hope that mistakes won't be repeated, and people will have a better time from now on.*

Member of the Working  
for Change Collective

## National indicators

The Child Poverty (Scotland) Act 2017 sets out four ambitious targets to reduce child poverty. We will report annually against these targets through the Child Poverty Action Report. These measures focus on family income and each Report covers our activities to increase employment, access to benefits, and cost of living support.

After household costs...	2023 interim targets	2030 targets	East Lothian levels 2021-22
Children living in families in relative poverty	18%	10%	21.1%
Children living in families in absolute poverty	14%	5%	12.4%
Children living in families living in combined low income and material deprivation <sup>vi</sup>	8%	5%	-
Children living in families in persistent poverty <sup>vii</sup>	8%	5%	-



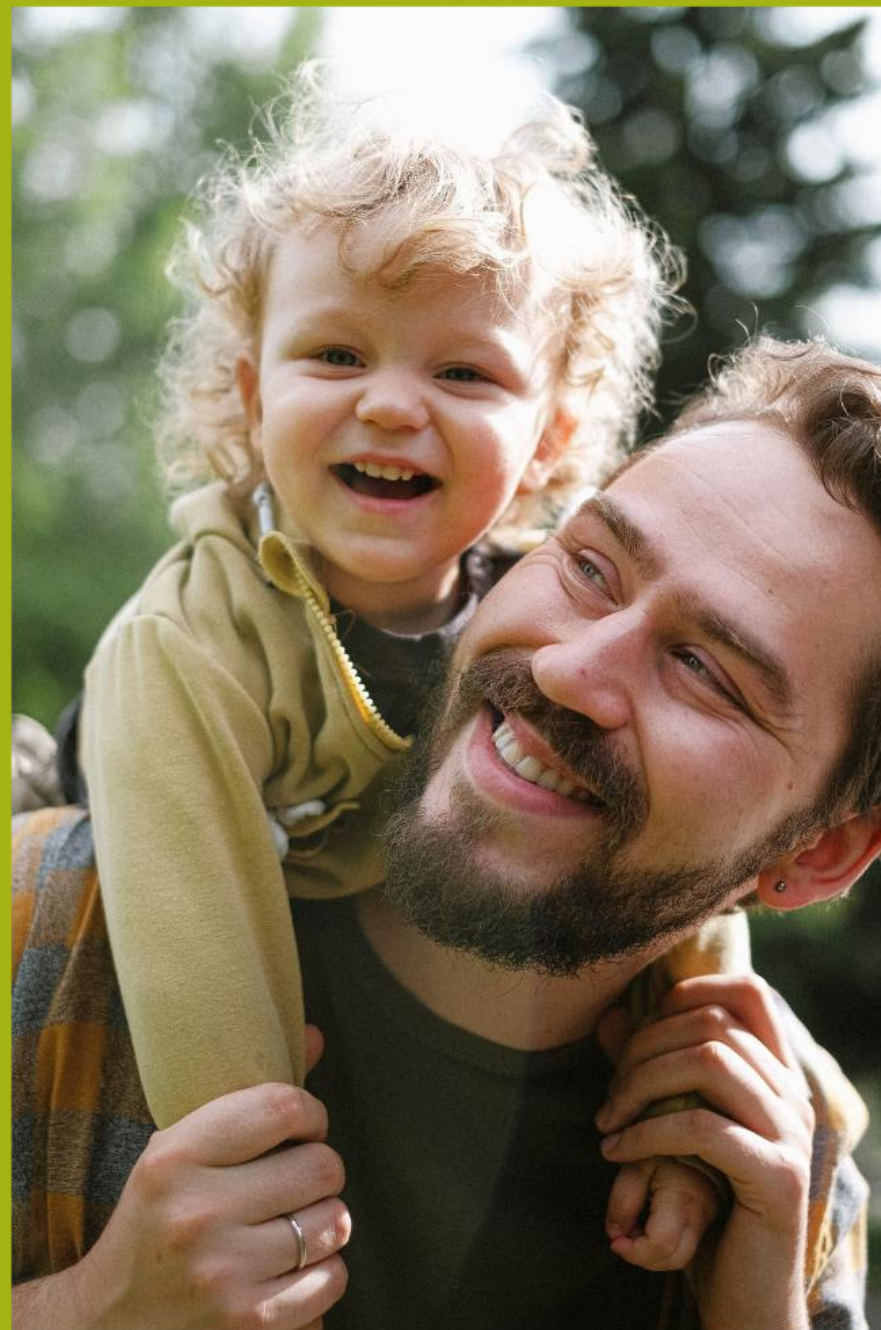
*I am a proud and strong woman who has come through all of this but ashamedly I cannot find a solution to affording childcare no matter how hard I try. This makes me incredibly sad because I want to work and be a role model for my children.*

Consultation respondent

# Links to other key strategies

Tackling poverty needs to be embedded within everything we do. To make the best use of resources, actions within the following plans will contribute to our overall mission to tackle poverty in East Lothian.

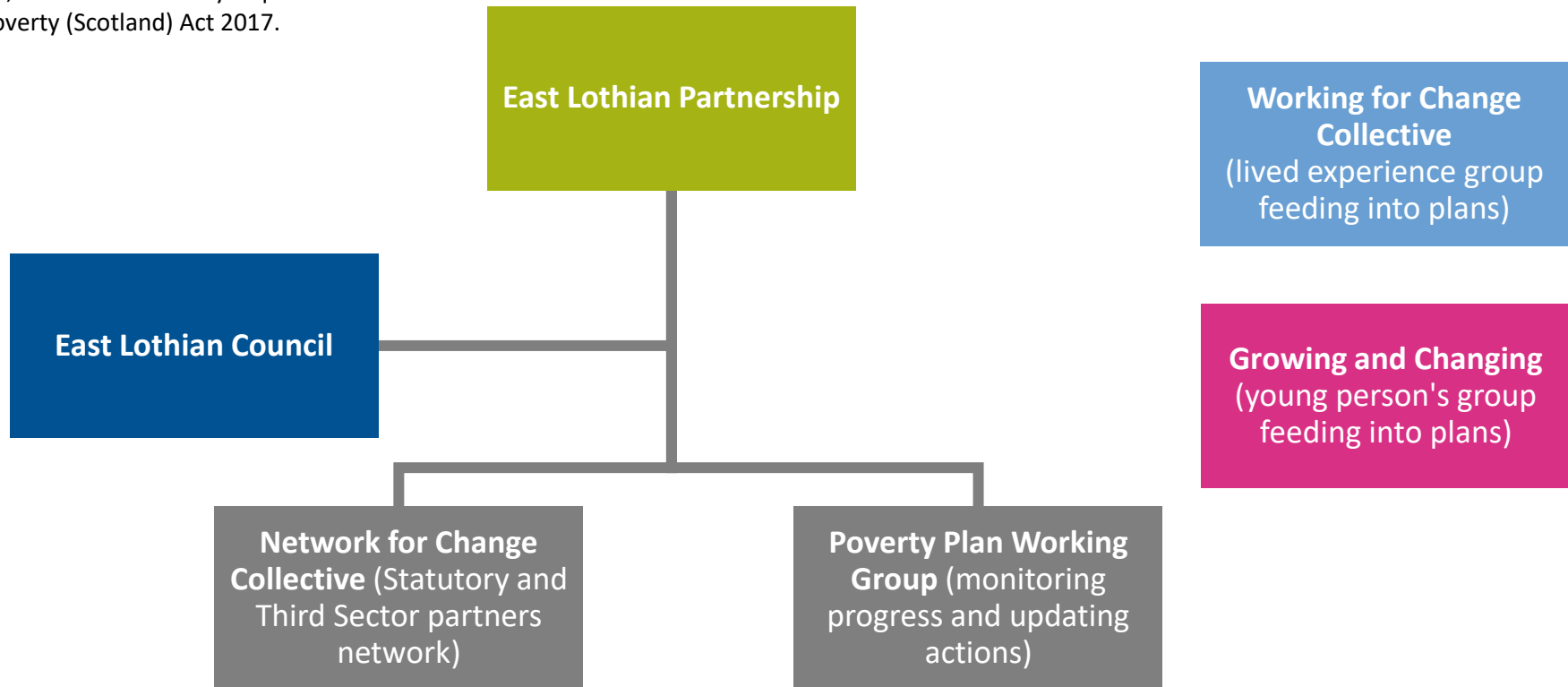
- *Local Development Plan*
- *Local Housing Strategy*
- *Integrated Joint Board Strategic Plan*
- *Climate Change Strategy*
- *Local Economy Strategy*
- *Council Plan 2022-27*
- *Local Outcome Improvement Plan*
- *Equality Plan*
- *Corporate Parenting Plan 2020-23*
- *Rapid Rehousing Transition Plan*
- *Community Learning and Development Plan*
- *Children and Young People's Services Plan 2023-25*
- *Education Improvement Plan*
- *Volunteering Strategy*
- *Area Partnership Plans*
- *Raising Attainment Strategy*



# Governance of the Plan

Governance of the Plan will be overseen by East Lothian Partnership.

East Lothian Council and NHS Lothian will jointly publish annual progress reports incorporating our Child Poverty Action Plan Report, which is a statutory requirement under the Child Poverty (Scotland) Act 2017.



# The challenges we face

As we emerged from the Covid-19 economic downturn and lockdowns, inflation started to rise influenced by consumer spending and global shortages. The war in Ukraine accelerated this as fuel and wheat prices were affected by the invasion. Inflation peaked at 9.6% in October 2022 and has fluctuated since.

Rising inflation has meant that many have had to make changes to their spending habits. For those who didn't have enough to begin with, and were already making their money stretch as far as possible, further cuts has become a choice between heating or eating, and sometimes skipping both.

This has been set against a decade of low income growth, with a further decade of slow income growth predicted because of the impact of Brexit. Brexit and climate change are expected to have long term impacts on food prices, with fewer migrant workers supporting harvests, and greater volatile weather impacting on crops.

Fuel costs are expected to remain volatile with political unrest and overseas conflicts having a long-term impact. Changes to renewable energy and local sources may reduce this impact.

East Lothian Council, NHS Lothian, and our third sector partners, all face challenging funding situations. East Lothian Council must make £60 million worth of cuts over the next five years. Through our approach to make poverty everybody's priority we will protect and mitigate the impacts of any necessary cuts on vulnerable households.

The Third Sector in East Lothian have shown exceptional resilience in challenging funding environments, but staff and volunteer wellbeing are a rising concern in the sector in the face of rising need and diminishing resource. Trauma-informed approach and commissioning reviews are part of the activity to mitigate these risks.

Out of 160 council tenants surveyed, 53% report that their mental health has suffered because of the cost of living. 50% are struggling with anxiety, stress or depression. 40% could not sleep at night.

## ■ Growing population

East Lothian's population has had the biggest rise of any local authority area. Our population is expected to continue to rise consistently over the next 10 years. Unlike other regions, both our children and young people and older people population groups will increase. Both groups are vulnerable to poverty.

## ■ Financial pressures on services

A growing population will increase statutory costs, particularly our older care services. Because of the number of people moving into the county we do not know the needs of our growing population.

## ■ Complexity of cases

Prolonged hardship has had a significant impact on people's mental health and resilience. We are seeing a rise in complex cases, with a wider range of support needed. This results in longer time working with an individual or household. We will take a prevention and early intervention approach to supporting people, embedding our services in community spaces where people feel comfortable, and where multiple supports can be accessed.

## ■ Climate change

It is likely that the next decade will require radical lifestyle changes for everyone. People who are living with poverty are likely to already be living a low carbon lifestyle, but have fewer resources to make bigger changes that may become expected. We must target climate adaptations with low-income households in mind.

# How we developed this plan

- **8 Community engagement sessions** in June 2023 (in Musselburgh, Prestonpans, Tranent, North Berwick, Haddington and Dunbar) listening to people's broad experiences of poverty and how they want to see services developing in East Lothian.
- **3 Network for Change development days** bringing together third sector and statutory partners to develop their key themes and requirements for the poverty plan.
- **3 Poverty self-assessment sessions** identifying areas for improvement in the partnership approach to tackling poverty. An online survey hosted and analysed by the Improvement Service guided this work.
- **Thematic sessions on gender, disability, climate change, childcare, crisis support and housing.**
- **Working for Change Collective conversation cafes** at which people with lived experience of poverty were encouraged to feed into the process.
- Young people were consulted through the **Growing and Changing lived experience group** (15-18 years olds) and **S2 Consultation Group** (12-13 year olds). Family feedback was input through the **Families Together East Lothian group**.
- Online consultation with in-person drop-ins.

For any questions on the plan please contact [policy@eastlothian.gov.uk](mailto:policy@eastlothian.gov.uk)



# References

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<sup>i</sup> Trussell Trust <https://www.trusselltrust.org/news-and-blog/latest-stats/mid-year-stats/>

<sup>ii</sup> 75.8 (Haddington South) to 83.6 (North Berwick North) for males, 87.3 (North Berwick South) to 78.9 for females (Wallyford and Whitecraig). Source: [https://scotland.shinyapps.io/ScotPHO\\_profiles\\_tool/](https://scotland.shinyapps.io/ScotPHO_profiles_tool/)

<sup>iii</sup> East Lothian Council, 2024. East Lothian Poverty Profile.

<sup>iv</sup> SAMHSA 2013 Substance Abuse and Mental Health Services Administration provides the definition of trauma as the result of “an event, series of events, or set of circumstances that is experienced by an individual as physically or emotionally harmful or life threatening and that has lasting adverse effects on the individual’s functioning and mental, physical, social, emotional, or spiritual well-being.”

<sup>v</sup> Improvement Service, 2023

<sup>vi</sup> The Scottish Household Survey children in families with limited resources measure is a rough approximation of the official material deprivation measure. This uses three years’ worth of data to get local authority breakdowns. The 2020 survey was affected by the pandemic restrictions, and so this measure will not be updated until the 2023 data become available.

<sup>vii</sup> The persistent poverty data comes from the Understanding Society longitudinal study which cannot be broken down to a sub-Scotland level.



**REPORT TO:** East Lothian Council

**MEETING DATE:** 27 August 204

**BY:** Executive Director for Council Resources

**SUBJECT:** East Lothian Council Transformation Strategy 2024-2029

**8**

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**1 PURPOSE**

- 1.1 To inform and seek approval of the East Lothian Council Transformation Strategy 2024-2029.

**2 RECOMMENDATIONS**

- 2.1 To approve the East Lothian Council's Transformation Strategy 2024-2029.

**3 BACKGROUND**

- 3.1 East Lothian Council Plan sets out the vision and priorities for the Council over the period 2022-2027. This Plan is ambitious and is strategically aligned with the Scottish Government's public sector reform initiatives. The Scottish Government's aim is to improve public services to ensure they are inclusive, sustainable, and effective in improving people's outcomes.
- 3.2 Transformation is not a new concept, and the Council has been improving how services are delivered over a number of years. The Council established a transformation programme in 2016, aimed at the Council becoming more efficient, effective, transparent, and accountable, which in turn can lead to better services for citizens and a more sustainable future.
- 3.3 In recognition of the financial challenges and the changing world in which the Council is operating, there is a need to continue to modernise how we deliver services.
- 3.4 ELC Transformation Strategy 2024-2029 aims to build on those ambitions and achievements, while making it applicable to the 2024 operating environment.
- 3.5 The Council has agreed three new short-term priorities to reflect the current financial challenges we face.

- *Ensure the financial sustainability of the Council through the delivery of approved savings and transforming the way we deliver services.*
- *Target resources on statutory services and focus on the highest risks and those most in need.*
- *Deliver key infrastructure, economic development and environmentally sustainable projects within available Council resources and maximising external funding.*

3.6 The Council is also preparing the 2024 Council Improvement Plan that considers the results of, and recommendations made in, external and internal evaluations on governance, leadership and strategic policy and practice:

- Best Value Leadership Audit conducted by the Council’s external auditors (Audit Scotland) in 2023
- Audit Scotland 2022/23 Annual Audit Report
- 2023 Corporate Governance Self-evaluation
- Council Management Team’s Public Service Improvement Framework (PSIF) Self-evaluation.

We will ensure that these are addressed in the delivery of this Strategy.

3.7 Transformation has a key role in enabling the Council to deliver its plans, objectives, and priorities, within the resources available.

3.8 Transformation Vision: to deliver a portfolio of change over a 5-year period (aligned to the Financial Strategy 2024-29) which will support the financial sustainability of the Council aligned to Council Plan/corporate priorities.

3.9 The Transformation Strategy (see appendix to this report) provides details of four Enablers and seven Strategic Objectives:

<b>Enablers</b>	<b>Strategic Objectives</b>
Portfolio, Programme, and Project Management Maturity	To design sustainable (core) Council services
Transformation Capability	To design digital-by-default customer services
Engagement	To deliver efficiencies and value for money
Collaboration	To develop a more commercial culture and increase income
	To become a more ‘Intelligent Council’
	To support our response to the climate & ecological emergency
	To support place making and best use of our assets

3.10 A detailed action plan will be developed and included in an Appendix to this Strategy.

3.11 Performance against delivery of the enablers, strategic objectives and action plan and resulting benefits will be reported to the Transformation Portfolio Board.

- 3.12 This Strategy will be reviewed and updated on an annual basis, to ensure continued alignment with supporting the delivery of the Council’s priorities and outcomes.
- 3.13 Any significant refresh of the Transformation Strategy will be reported to and approved by Cabinet.
- 3.14 Transformation financial targets will be included in a scene-setting report in August 2024. We will monitor financial targets and report these alongside regular finance updates to Cabinet/Council and we will produce an annual report capturing performance for each financial year.

#### **4 POLICY IMPLICATIONS**

- 4.1 The Council requires to align with many national and Council regulations, strategies, policies, guidance and tools. Details of these are provided on p. 17 of the Transformation Strategy.

#### **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report will follow the Integrated Impact Assessment process. No negative impacts are expected.

#### **6 RESOURCE IMPLACATIONS**

- 6.1 Financial - None
- 6.2 Personnel - None
- 6.3 Other – N/A

#### **7 BACKGROUND PAPERS**

- 7.1 Appendix 1 - East Lothian Council Transformation Strategy 2024-2029

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<b>DATE</b>	14 May 2024



**EAST LOTHIAN COUNCIL  
TRANSFORMATION STRATEGY  
2024-2029**



## Contents

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## Introduction and Transformation Vision

East Lothian Council Plan sets out the vision and priorities for the Council over the period 2022-2027. This Plan is ambitious and is strategically aligned with the Scottish Government's public sector reform initiatives. The Scottish Government's aim is to improve public services to ensure they are inclusive, sustainable, and effective in improving people's outcomes.

Transformation is not a new concept, and the Council has been improving how services are delivered over a number of years. The Council established a transformation programme in 2016, aimed at the Council becoming more efficient, effective, transparent, and accountable, which in turn can lead to better services for citizens and a more sustainable future. In recognition of the financial challenges and the changing world in which the Council is operating, there is a need to continue to modernise how we deliver services. This will support the Council to:



The council's new Transformation portfolio must drive significant change and innovation throughout the Council and help us provide the very best outcomes, with the resources available.

A strong Portfolio Governance framework will ensure strategic alignment to achieve Council objectives and priorities. It will enable decisions regarding resources and ensure alignment to the investment decisions and priorities while considering any significant constraints.

### Council Vision

*An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish. Council Plan 2022-2027*

### Transformation Vision

To deliver a portfolio of change over a 5-year period (aligned to the Financial Strategy 2024-29) which will support the financial sustainability of the Council aligned to Council Plan / Corporate priorities

## Strategy rationale and context

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

Changes to service delivery are also driven from a need for greater emphasis on clients/service users, focused involvement of stakeholders and partners, and the possibilities of new delivery models.

To achieve this, the Council must embark on an enhanced programme of transformational change, which aligns with our corporate strategies. This includes embracing digital technology, maximise revenue income streams available, and to support economic growth and achieving wider aims and outcomes, the Council must accelerate a review of all Council assets, which will seek to minimise future revenue costs, and maximise the benefits derived from future capital investment.

## Transformation Programme to date

The Transformation Programme has delivered many projects to date. Transformation priorities, and example projects are:

### Digital Transformation

- Online Customer Platform
- New Content Management System
- HR & Payroll system
- Online school payments

### Front Line Service Redesign

- Health & Social Care Core Business
- Social Work Out of Hours Service
- 1140 Hours Early Learning and Childcare
- Education Common School Day

### Commercialisation

- Energy Transformation
- Managers Training - Commercial Mind Set & Skills

### Support Service Redesign

- HR Lean Review

## Delivering Benefits

Project Benefits shown below are improvements that contributed to the achievement of council objectives.

Projects	Benefits description
New systems & business process redesign: <ul style="list-style-type: none"> <li>• Online Customer Platform</li> <li>• New Content Management System</li> <li>• HR &amp; Payroll system</li> <li>• Online school payments</li> <li>• HR Lean Review</li> </ul>	Costs avoided Customer Satisfaction Improved engagement with citizens Reduced Transaction time Resources released
Education Common School Day	Customer Satisfaction
Health & Social Care Core Business - Implementation of prepaid cards for direct payments	Increased debt recovered Resources released
Social Work Out of Hours Service	Customer Satisfaction
1140 Hours Early Learning and Childcare	Customer Satisfaction
Energy Transformation	Customer Satisfaction Costs avoided
Commercialisation	Increased income

*Our new Transformation Portfolio Framework will be used to enhance our ability to capture, monitor and report on benefits during 2024 and beyond.*



## Contribution to Council Objectives

Transformation is about driving the value. Value comes from aligning the Transformation activities with the Council's objectives. The benefits derived from Transformation to date contribute to many Council objectives, as follows:

1

**Reduce poverty and Inequality**  
– supporting our communities to deal with the growing levels of poverty and inequality

- Energy Transformation: ELC energy tariff, efficiency improvements implemented (boiler replacements, controls upgrades and lighting retrofits)

2

**Grow our People – give our children the best start in life and protect vulnerable and older people**

- 1140 Hours Early Learning and Childcare
- Education Common School Day
- Social Work Out of Hours Service

3

**Grow our Capacity – deliver excellent services as effectively and efficiently as possible within our limited resources**

- New Content Management System
- Health & Social Care: implementation of prepaid cards for direct payments
- HR Lean Review

## **Other Public Sector Transformation Initiatives**

There are a range of wider public sector initiatives that may impact this strategy, including a think piece report (Delivering a future for Scottish Local Authorities) that was jointly written by a group of Chief Executives on behalf of Solace and the Improvement Service (IS) about delivering a future for local government. The approach outlined complements COSLA's Blueprint, providing a vehicle to support the delivery of the Blueprint's ambitious vision for Scottish Local Government and the communities it serves.

Following on from this, the Improvement Service is working with Solace and individual local authorities to identify opportunities for transformation which will help progress the development of the 21st century Council model, to get some tests of change up and running and to develop a timeline for this work.

We will continue to participate in this work and align our transformation activities, as required, as this work progresses.

## **Scottish Government National Outcomes**

Scottish Government National Outcomes underpin and enable our Transformation Strategy. The Scottish Government are developing proposals for changes to the National Outcomes and the wider National Performance Framework (NPF), and this is expected to be published in Autumn 2024.

## Supporting Council Objectives

The 2022-27 Council Plan outlines how East Lothian council will strive to meet our Vision of: ***An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.***

The Council has agreed three new short-term priorities to reflect the current financial challenges we face.

- Ensure the financial sustainability of the Council through the delivery of approved savings and transforming the way we deliver services.
- Target resources on statutory services and focus on the highest risks and those most in need.
- Deliver key infrastructure, economic development and environmentally sustainable projects within available council resources and maximising external funding.

The Council is also preparing the 2024 Council Improvement Plan that considers the results of, and recommendations made in, external and internal evaluations on governance, leadership and strategic policy and practice:

- Best Value Leadership Audit carried out by the Council's external auditors (Audit Scotland) in 2023
- Audit Scotland 2022/23 Annual Audit Report
- 2023 Corporate Governance Self-evaluation
- Council Management Team's Public Service Improvement Framework (PSIF) Self-evaluation.

There are a few Improvement actions that relate to Transformation, key actions include:

- The Council should continue to identify where it can progress transformational change in how services are delivered to address the longer-term pressures it faces.
- The Council needs to prioritise where it can invest in digital services to deliver savings in the longer term. The Council needs to strengthen their digital strategy, cyber security, business continuity management and associated policies to address prior year audit recommendations.
- Given the scale of the financial challenges it faces the council needs to be open and clear with communities and staff about the recurring savings that will be required to fill budget gaps, and how council resources will need to be targeted to achieve long-term policy and performance priorities, and the impact this will have on services and the priorities set out in the Council Plan.
- In light of the growing financial challenges faced by the council further work is required to make the link between how resources are targeted to achieve the Council's policy and performance priorities more explicit.

We will ensure that these are addressed in the delivery of this Strategy.

Transformation has a key role in enabling the Council to deliver its plans, objectives, and priorities, **within the resources available.**

## Enablers

### Portfolio, Programme, and Project Management Maturity

We must deliver improved success from programmes and projects by evolving our maturity in the development of our project, programme, and portfolio management capabilities.

#### We will do this by:

- Implement the recommendations of the P3M3 Maturity Assessment
- Rationalising framework templates and focusing on what the information will be used for rather than gathering it
- Developing a set of minimum requirements or standards that set out what is expected from projects
- Separating business justification from project controls
- Establishing a Stage Gate process linked to a project lifecycle to improve control and tracking, this will also rationalise the information gathering
- Reviewing the governance and controls arrangements to enable them to be flexible for different levels of risk and complexity in projects
- Ensuring business cases are developed and approved, prioritising those with a strong financial/economic case

#### What success looks like:

- User-friendly Portfolio Management toolkits & templates used consistently across the council
- Projects are delivered to time and within budget
- Identified savings are delivered to support closing the budget gap
- Project Business Cases are developed up to the end of Stage 3 and are regularly reviewed and updated thereafter
- Project gate reviews confirm that project teams have completed the required processes and tasks, and that the project is worth continuing
- Project Boards give approval for projects proceeding to the next stage throughout the project lifecycle
- Governance arrangements are streamlined appropriate to the size and complexity (risk profile) of the project

## Transformation Capability:

People are key. We must ensure we are developing transformation professionals. As well as attracting, developing and retaining new and existing talent.

### We will do this by:

- Developing a professional development plan to help our staff be even more effective
- Ensuring capacity (resource levels) align with council priorities and are within available resources
- Ensuring Transformation Team workloads are managed using a consolidated work plan and prioritisation tool to ensure work aligns with council priorities and is within available resources
- Implement a Portfolio Management Office (PMO) that defines and maintains standards for project management within the council as well as:
  - Dependency / Risk Management
  - Management Information & Reporting
  - Portfolio Management Framework and processes
  - Project Assurance & Gate reviews
  - Resource Allocation & training
- Ensure that the Team have or have access to key capabilities that include (but are not limited to):
  - Benefits Measurement
  - Business Intelligence / Data Analysis
  - Commercial Acumen
  - Digital Transformation (including automation)
  - Process Improvement, Customer Journey Mapping & Lean
  - P3M3® (Portfolio, Programme, and Project Management Maturity Model), Prince2 and Managing Successful Programmes (MSP)
  - Prosci Change Management
  - Risk Management, Monitoring and Reporting Process
  - The Scottish Approach to Service Design (SAtdSD)
- Ensure that the team have support from Subject Matter Experts (SME's) across council services, including Audit, Communications, Customer Services, Finance, Human Resources, IT and Legal.

### What success looks like:

- Professional competencies are understood, and people are developed to improve success from programmes and projects
- Attracting, developing and retaining new and existing transformation people
- Areas for improvement are understood and actions plans are in place to address them
- Successful delivery of Annual Service and Action Plans to address business needs and meets demand across the council
- Transformation team has / has access to key capabilities and support from Subject Matter Experts (SME's) to improve success from programmes and projects

**Engagement:**

Having appropriate access to best practice to provide consistency across transformation activities. This will allow for efficient and effective delivery of transformation programmes and projects.

**We will do this by:**

- Ensure highly effective transformative leadership among senior leaders and influence over transformation activity
- Annually reviewing and updating Service Plan (Improvement Plan), reporting progress to EMT
- Working with communications team to raise the profile and ensure key transformation / Shaping our Future messages and updates are communicated
- Ensuring that all leaders understand their role in driving and enabling transformation
- Undertaking surveys to capture feedback and satisfaction levels from internal customers
- Using post-project lessons learned to improve our portfolio management framework
- Producing an annual report capturing performance for each financial year
- Annually reviewing and updating our Portfolio Management Framework and templates
- Developing and implementing on-line toolkits to enable staff to manage their own projects

**What success looks like:**

- Leaders and stakeholders are more engaged with and are driving transformation
- Increased awareness and consistent use of the portfolio management framework and toolkits
- Continuous improvement of the portfolio management framework to improve success from programmes and projects
- Performance of the transformation team and portfolio is understood, and any learning is used to inform continuous improvement activities

**Collaboration:**

Collaboration will assist us in achieving our goals. Strengthening collaboration and engagement across the Public Sector Transformation landscape will allow consistent approaches where practical, and facilitate development and sharing of best practice

**We will do this by:**

- On-going analysis of public sector transformation to identify best practice innovation and collaboration opportunities
- Participate in and learn from Solace/Improvement Service (IS) Transformation Anchors:
  - Enable a functioning, trusted local and central government relationship and Unlocking Community Action (Includes review of statutory services)
  - A focus on people through a public sector plc that tackles inequality at the root in order to improve everyone's life chances and lead council and cross sector partnerships with a focus on outcomes
  - Design for People's Needs and Create digital, design and technology enabled transformation
- Identifying and collaborating with our transformation peer group across public sector
- Maximize opportunities for innovation and collaboration across the public sector

**What success looks like:**

- Increasing opportunities for innovation, collaboration and learning across the public sector

**Strategic Objectives**

## To design sustainable (core) council services:

To assist services in identifying cost reductions and better ways of working and support the development of more sustainable budgets and help protect front line service provision.

### We will do this by:

- Develop a consistent methodology to support reviews and re-modelling within services
- Prioritise Shaping our Future Service Reviews, deploying our methodology (capabilities in Process Improvement, Customer Journey Mapping, Lean, and the Scottish Approach to Service Design (SAAtSD))
- Participate in and learn from Solace/Improvement Service (IS) Transformation Anchors:
  - 1&3: Enable a functioning, trusted local and central government relationship and Unlocking Community Action (Includes review of statutory services)
- Working with services to look at options to reduce agency costs through the implementation of more sustainable staffing structures
- Analysing the cost and benefits of providing our services

### What success looks like:

- Consistent approach to support reviews and service design
- Resources released to focus on higher value activities
- Reduced Transaction time
- Simplified systems landscape
- Increase in number of online services offered
- Improved experience and Customer Satisfaction
- Increasing number of processes co-designed with customers
- Increasing number of end-to-end processes mapped with all relevant services
- Increased number of services offering one-stop resolution
- Evidence of improved analytics on customer contacts leading to service improvements
- Increasing opportunities for innovation, collaboration and learning across the public sector
- Reduced overall cost of service delivery

## To design digital by-default customer services:

To continue to make better use of technology to deliver smarter, efficient service processes and to deliver a better experience for customers.

### We will do this by:

- Prioritise and progress key digital transformation projects
- Consolidate systems development resources
- Identify enterprise systems and create roadmap
- Complete transformation actions detailed within the Customer Strategy Action Plan:
  - We will have a plan and support in place for service teams switching to online/new ways of working.
  - We will develop robust ways to involve our customers in designing services.
  - We will involve all relevant services in mapping and improving our end-to-end processes.
  - We will review and increase the number of services that can be provided at the first point of contact, benchmarking and sharing good practice with other councils.
  - Services will build process improvement into their service plans to ensure they remain responsive to changing needs.
  - We will make better use of our statistical data to understand how and why customers contact us.
- Participate in and learn from Solace/Improvement Service (IS) Transformation Anchors:
  - 4&5: Design for People's Needs and Create digital, design and technology enabled transformation
- Partner with the Digital Office to identify and progress collective and scalable initiatives

### What success looks like:

- Maximising return on investment / optimising functionality of existing systems
- Resources released to focus on higher value activities
- Fewer manual processes
- Reduced Transaction time
- Reduced number of systems used across the council
- Improved Data Maturity
- Clarity on enterprise systems when they will be deployed and how we will get there
- Reduced systems total cost of ownership
- Improved experience and Customer Satisfaction
- Improved engagement with citizens
- Increase in number of online services offered
- Increase in number of services with online included in their service plans
- Increasing number of processes co-designed with customers
- Increasing number of end-to-end processes mapped with all relevant services
- Increased number of services offering one-stop resolution
- Increased number of service plans featuring process improvements
- Evidence of improved analytics on customer contacts leading to service improvements
- Increasing opportunities for innovation, collaboration and learning across the public sector



### To deliver efficiencies and value for money:

To continue to deliver financial savings through efficiencies or cost reductions and smarter ways of working.

#### We will do this by:

- Prioritise and progress key lean / process improvement projects
- Identify enablers required to reduce manual transactions, e.g. On-line forms solution

#### What success looks like:

- Resources released to focus on higher value activities
- Reduced transaction time
- Increasing number of processes co-designed with customers
- Increasing number of end-to-end processes mapped with all relevant services
- Fewer manual processes

### To develop a more commercial culture and increase income:

To develop a more commercial approach to the delivery of Council services with a view to increasing the level of income and, or debt/cost-recovery.

#### We will do this by:

- Prioritise and progress key commercial projects
- Strengthen the council's contract management practices and identify areas where further improvement may be required
- Develop a Commercial Strategy for the council
- Exploring all options to recover the costs of service delivery
- Integrating commercial awareness with public sector values to help deliver better and more sustainable services for residents
- Providing Learning and Development to increase the level of commercial and financial skills

#### What success looks like:

- Early identification of risks to contract provision, and ability to react to those
- Better value derived from contracts
- Enhanced relationships with suppliers and stakeholders
- Increased level of income and or debt/cost-recovery
- Staff have an appropriate level of commercial skills

## To become a more 'Intelligent Council':

To ensure that decisions are based on appropriate data and evidence.

### We will do this by:

- Prioritise and progress key data projects
- Build capability for Business Intelligence to support data-driven decision making/data maturity
- Build the Corporate Power BI environment to fully enable the council and service departments to better understand and analyse their data to help improve business intelligence and decision making
- Use performance data to identify and prioritise improvement projects, e.g. Early intervention & prevention
- Progress key actions arising from the council's Data Maturity Assessment

### What success looks like:

- Improvement initiatives informed by data
- Increased transparency
- Improved Digital Maturity

## To support our response to the climate & ecological emergency:

To support the Council in delivering transformational change in support of key decarbonisation and ecological objectives and targets.

### We will do this by:

- Prioritise and progress a pipeline of projects for:
  - Energy Transformation
  - Carbon reduction
- Prioritise and progress key climate and sustainability projects
- Support the roll out a Carbon literacy programme for members
- Work with the councils Sustainability and Climate Change Officer to develop a methodology for carbon budgets & Pilot Carbon budgeting
- Support Council Reporting on progress against public net zero commitment

### What success looks like:

- Carbon Savings
- Energy consumption / costs / generation
- Environmental and community benefits
- Support the council to meet its net zero commitments

**To support place making and best use of our assets:**

To exploit the opportunities presented by a move to hybrid working and understanding the wide range of services we deliver, understand how we can deliver them in a more joined up way and take advantage of increasing take up of online and digital engagement to further rationalise the Council's estate and modernise and improve the working environment within the remaining core buildings.

**We will do this by:**

- Prioritise and progress key asset management projects, e.g., Corporate and Place Making Asset Management
- Develop a framework to support the implementation of a debt/cost-recovery approach to the use of council assets

**What success looks like:**

- Reduced council estate and maintenance burden
- Improved experience and Customer Satisfaction
- Improved engagement with citizens
- Optimised building utilisation
- Numbers of staff working remotely on a regular basis
- Increased employee satisfaction
- Increased cost recovery

## Regulations, Policies, Guidance and Tools

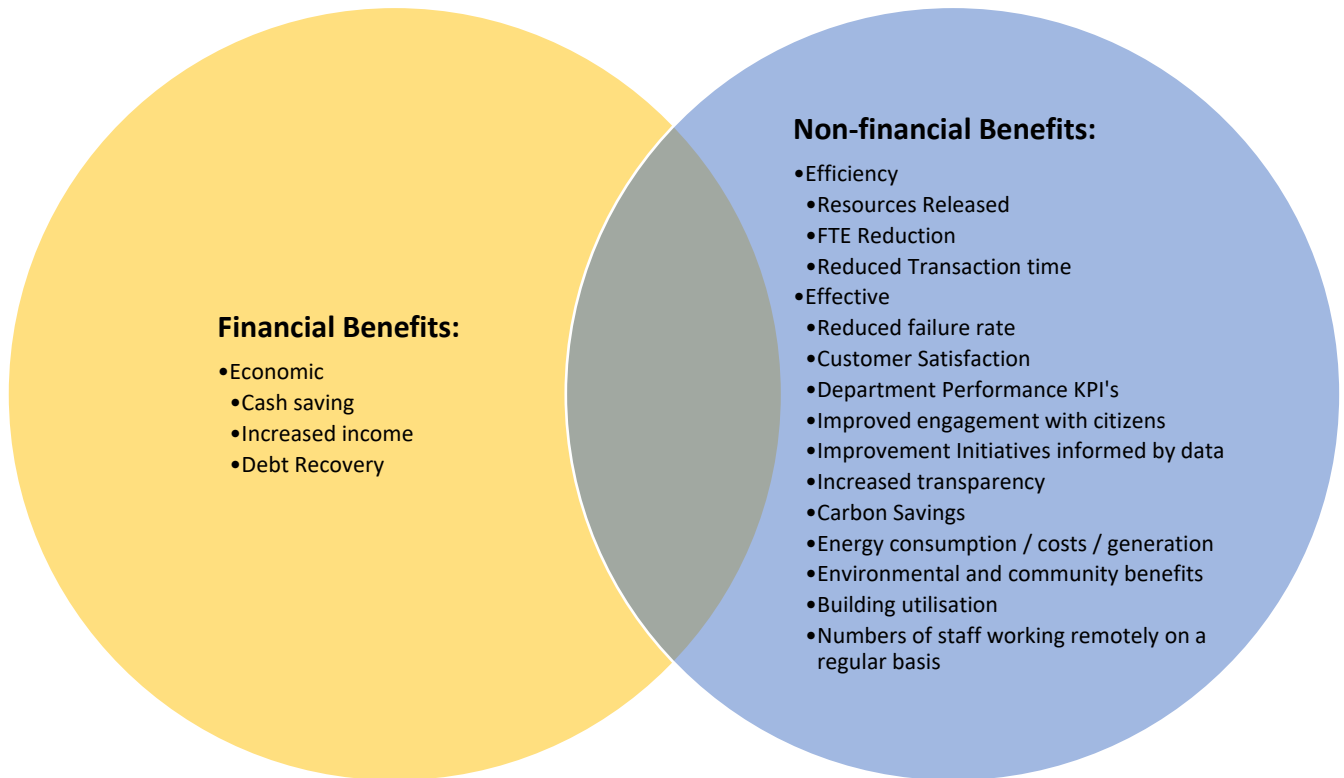
There are many national and council regulations, strategies, policies, guidance and tools, that we must align with, including but not limited to:

### Regulations, strategies, policies, guidance and tools

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• The Local Governance (Scotland) Act 2004</li> <li>• The Local Government in Scotland Act 2003</li> <li>• The Local Government etc. (Scotland) Act 1994</li> <li>• The Local Government (Scotland) Act 1973</li> <li>• Scheme of Delegation</li> <li>• Standing Orders</li> <li>• Financial Regulations</li> <li>• East Lothian Children and Young People’s Plan 2023-2026</li> <li>• East Lothian Council Climate Change Strategy 2020-2025</li> <li>• East Lothian Council Customer Strategy</li> <li>• East Lothian Council Digital Strategy 2022-2027</li> <li>• East Lothian Council Equality Plan 2021-2025</li> <li>• East Lothian Council Plan 2022-2027</li> <li>• East Lothian Council Poverty Plan 2021-2023</li> <li>• East Lothian Economic Development Strategy 2012-2022</li> <li>• East Lothian Integration Joint Board Strategic Plan 2022 – 2025</li> <li>• East Lothian Local Housing Strategy 2018-23</li> </ul> | <ul style="list-style-type: none"> <li>• East Lothian Transport Strategy 2018-2024</li> <li>• ELC_Recovery__Renewal_Plan_2021</li> <li>• Lothian Strategic Development Framework</li> <li>• Financial Regulations</li> <li>• Financial Strategy 2024-2029</li> <li>• Lean Six Sigma</li> <li>• Local Development Plan</li> <li>• Lothian Strategic Development Framework</li> <li>• P3M3® (Portfolio, Programme, and Project Management Maturity Model), Prince2 and Managing Successful Programmes (MSP)</li> <li>• Prosci Change Management</li> <li>• Risk Management, Monitoring and Reporting Process</li> <li>• Scheme of Delegation</li> <li>• Standing Orders</li> <li>• The East Lothian Plan 2017-2027</li> <li>• The Promise</li> <li>• The Scottish Approach to Service Design (SAatSD)</li> <li>• United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act. (UNCRC)</li> </ul> |
|--|--|

## Savings, Benefits and Added Value

Delivering value through transformation is a key element and driver of continual Service Improvement. Savings and benefits definitions are defined as follows:



A more formal approach to tracking cost savings has been introduced. Our new Transformation Portfolio Framework will be used to enhance our ability to capture, monitor and report on benefits during 2024 and beyond.

# Governance, Reporting and Resources

## Governance & Delivery

- EMT will be the Transformation Portfolio Board, meeting quarterly
- The Chief Executive will lead the Transformation Board
- Emphasis on:
  - business case approval and benefits delivery against the *Portfolio Objectives and Financial Targets*
  - decisions and/or solutions to problems or barriers impacting on progress
- Programme/Project Boards will support delivery of each of the Transformation Portfolio Strategic Objectives
- Boards will be led by an Executive Director, Head of Service or Service Manager, as appropriate
- Emphasis on:
  - Business case approval and benefits delivery against the *Programme/Project Objectives and Financial Targets*
  - decisions and/or solutions to problems or barriers impacting on progress

## Reporting

We are committed to being transparent and improving accountability, by publishing information about our Transformation activity.

In line with this commitment, the Council:

- will monitor delivery of the strategic objectives and benefits, reporting progress to the Transformation Portfolio Board.
- will publish the approved transformation strategy
- will review and update the strategy on an annual basis, to ensure continued alignment with supporting the delivery of the council's priorities and outcomes
- will include Transformation financial targets in a scene setting report in August 2024
- will monitor financial targets and report these through regular Finance updates to Cabinet / Council
- will produce an annual report capturing performance for each financial year

## Resources

- The Cost Reduction Fund (Transformation Fund) is to be used to support delivery of change which will realise a financial saving and/or service efficiency going forward.
- Spending from Transformation fund is subject to approvals in line with our Financial Strategy
- A key component of the revised Transformation Portfolio is strengthening financial component of business cases.
- Transformation Team resources will flex to support the Portfolio Strategic Objectives
- Programmes/projects will be Transformation Team-led, Service-Led or Partner-Led
- Programme/Project resources will be defined in the Business Case and allocated by either the Portfolio Management Office (PMO) or Service Areas or both

## People, Skills and Culture

- People will be at the heart of delivering transformation across the Council
- Changing the culture and pace of change will be key to our success
- We want to empower people to be innovative and creative and to bring new ideas to improve services, embracing our One Council culture
- Staff will have a range of opportunities to be involved:
  - Intranet
  - Suggestions, ideas & surveys
  - Participation in projects
  - Providing customer views and feedback

## Ownership

All staff within the council have a role in ensuring continuous improvement. Key internal stakeholders in East Lothian Council are:

- **Executive Management Team (EMT):** This group will oversee implementation and delivery of the Transformation Strategy
- **Corporate Management Team (CMT) and Service Management Team (SMT):** The Transformation Team cannot fulfil the strategic objectives without the support and co-operation of staff in service areas. Heads of Service and Service Managers are essential to the successful implementation of the Transformation Strategy and for providing relevant and timely information and resources to support our programmes and projects.
- **Service Users:** A well-informed and adequately skilled user base is another vital component for successful delivery of the Transformation Strategy

### Michelle Coyle

Transformation & Digital Portfolio Manager, East Lothian Council

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**REPORT TO:** East Lothian Council

**MEETING DATE:** 27 August 2024

**BY:** Executive Director for Place

**SUBJECT:** Tackling the Nature Emergency: Update on Actions to Protect and Enhance Nature

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9

## **1 PURPOSE**

- 1.1 To present the first report to Council on progress with tackling the Nature Emergency, as requested through the Council's Declaration of Nature Emergency in October 2023.

## **2 RECOMMENDATIONS**

- 2.1 Council is recommended to note the update on Tackling the Nature Emergency: East Lothian Council's Actions to Protect and Enhance Nature, which is summarised below and set out at Appendix 1 (published in the Members' Library Service, Ref: 85/24, August 2024 Bulletin).
- 2.2 It is recommended that future reporting would be lodged in the Members' Library Service.

## **3 BACKGROUND**

- 3.1 In October 2023, East Lothian Council unanimously approved a motion to declare a Nature Emergency, recognising that biodiversity is in decline and the impact that climate change is having on wildlife and nature. The motion also stated that urgent action must be taken to reverse the decline in nature.
- 3.2 The Council's Nature Emergency declaration also recognises the state of nature, its inherent value, and the crucial role its recovery and restoration will play in realising climate targets.

- 3.3 In its declaration of Nature Emergency, the Council requested a report to full Council before the summer recess<sup>1</sup>, which
- Outlines how existing Council strategies align with international and national biodiversity frameworks and strategies, specifically the Kunming-Montreal Global Biodiversity Framework (agreed at COP15 in December 2022), the Berlin Urban Nature Pact, and the Scottish Biodiversity Strategy, and notes any changes to existing strategies required to deliver against these;
  - Provides an update on the development of East Lothian's Biodiversity Action Plan, including specific considerations of how the plan is impacting adoption of an ecological coherence approach to effectively identify and target actions required to tackle the nature emergency and deliver the various Council strategies, and the adoption of a partnership approach to maximise delivery opportunities for these strategies and to identify further opportunities for nature restoration, nature-based solutions, and protection of biodiversity, both within the county and in connection to larger networks.

The Council is already delivering action in East Lothian to tackle the nature crisis through our existing range of strategies, partnerships and projects, working with partner agencies, community groups and volunteers. The report at Appendix 1, published in the Members' Library Service (Ref: 85/24, August 2024 Bulletin ([Agendas, reports and minutes | East Lothian Council](#))), provides a summary of the range of work which has already been undertaken, and is currently underway, to tackle the Nature Emergency and protect and enhance biodiversity across East Lothian.

- 3.4 Further details are provided in Appendix 2, published in the Members' Library Service (Ref: 85/24, August 2024 Bulletin ([Agendas, reports and minutes | East Lothian Council](#))), of recent actions taken by the Council to protect and enhance biodiversity, by Countryside Services including the Countryside Ranger Service, Amenity Services, Planning Service, Road Services, Property & Capital Projects and Education.
- 3.5 Recent work to tackle the Nature Emergency includes:
- Approval of the Council's Tree and Woodland Strategy in May 2024, which will help the Council address the climate and biodiversity crises, guide the delivery of two million trees for the East Lothian Climate Forest, increase the urban tree canopy and expand the network of hedgerows;
  - Completion of nature restoration work at Levenhall Links, Musselburgh, which included the conversion of ash lagoons into wetland habitat to support wading birds, and the planting of over 10,000 trees by the Council's Countryside Ranger Service and local volunteer groups;

<sup>1</sup> Report was prepared for June 2024; however, it was postponed until after the summer recess due to the pre-election period prior to General Election in July 2024.

- We undertook a project on Nature Networks in our parks and greenspaces, to identify nature enhancements supported by our communities, which was funded by the Levelling Up Parks Fund. This project has been included in the national Nature Networks Toolbox produced by NatureScot as a good-practice Case Study;
  - Grassland restoration to restore priority coastal habitats; dune restoration through the removal of Sea Buckthorn at Aberlady Bay, Gullane Bents and Yellowcraig; wetland and pond creation and enhancement at Barns Ness; and expansion of meadow and grassland areas in parks and urban greenspaces to support pollinators as part of the Nature Networks project – all funded by the Scottish Government’s Nature Restoration Funding allocation;
  - Environmental education and public events resumed after the COVID-19 pandemic due to increased capacity within the Countryside Ranger Service in 2021–2023, funded by awards from the Better Places Fund.
- 3.6 Through the Nature Emergency declaration, the Council committed to seeking to further embed action to reverse the decline in nature as we update our range of strategies and policies across all our services.
- 3.7 Appendix 1 outlines how existing Council strategies, specifically the East Lothian Biodiversity Action Plan, Climate Change Strategy, Tree and Woodland Strategy, Green Network Strategy, Open Space Strategy, Local Development Plan and Countryside Site Management Plans align with the Global Biodiversity Framework, Scottish Biodiversity Strategy and the Berlin Urban Nature Pact.
- 3.8 All of these Council strategies and plans, particularly the most recent, generally align with the national and global biodiversity frameworks and objectives. Opportunities will be taken to ensure that all the relevant Council strategies currently being renewed and updated will align with the requirements of the Nature Emergency declaration and the national and global biodiversity frameworks referenced therein.
- 3.9 Appendix 1 identifies two ‘tiers’ of Council strategies which will deliver the aims and objectives of the Nature Emergency declaration:
- ‘Tier 1’: the primary Council strategies and policies which set out the objectives and specific actions to protect and enhance nature, green and blue networks and biodiversity; and
  - ‘Tier 2’: additional Council plans and strategies which can also deliver biodiversity enhancements and connectivity; however, these are not the principle strategies for tackling the Nature Emergency but will reference those strategies in ‘Tier 1’.
- 3.10 The Council’s ‘Climate and Nature Emergency Group’ of officers from across Council service areas will monitor and play an important role in driving and coordinating the work of the Council and our community partners to meet our climate and nature emergency objectives and duties. An internal Council officer working group, the Green Network Working

Group, is currently reviewing the Green Network Strategy and coordinating delivery of actions across Council service areas.

- 3.11 The Council's Nature Emergency declaration also requested an update on the development of our Biodiversity Action Plan. East Lothian's Biodiversity Action Plan (ELBAP) 2024–2034 is currently in development. The draft ELBAP will take into consideration the Nature and Climate Emergency declarations, and the international, national and local policy context including the revised draft Scottish Biodiversity Strategy.
- 3.12 The draft ELBAP will include a Delivery Plan which supports delivery of actions aligning with the Scottish Biodiversity Strategy at a local level. The Delivery Plan will set out a partnership approach to delivering actions, working with key stakeholders in the East Lothian Biodiversity Partnership (see Appendix 1), as well as other community organisations, neighbouring local authorities and Government agencies such as NatureScot, to maximise delivery opportunities.
- 3.13 As set out in the Council's Nature Emergency Declaration, the progress of work arising from this report will be monitored and discussed on an ongoing basis after this by the cross-party Climate Change and Sustainability Forum (on the understanding that key milestones or changes will also be scrutinised and determined as appropriate and in accordance with Standing Orders).

#### **4 POLICY IMPLICATIONS**

- 4.1 This report meets obligations set out in the Council's approved declaration of Nature Emergency, to report on progress with aligning Council strategies with national and global biodiversity frameworks and objectives, and to provide an update on the development of East Lothian's Biodiversity Action Plan.
- 4.2 All relevant Council strategies currently being renewed and updated will require to align with the requirements of the Nature Emergency declaration and the national and global biodiversity frameworks referenced therein.

#### **5 INTEGRATED IMPACT ASSESSMENT**

- 5.1 The subject of this report has an entirely positive impact upon the wellbeing of our communities in line with our Open Space Strategy and Green Networks Strategy and enabling access for all to quality outdoor areas.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – There are no financial implications as a direct result of this Report.
- 6.2 Personnel – None.

6.3 Other – None.

## 7 BACKGROUND PAPERS

7.1 Appendix 1: Tackling the Nature Emergency: East Lothian Council's Actions to Protect and Enhance Nature, Update, June 2024 (available in the Members' Library Service, Ref: 85/24, August 2024 Bulletin).

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

7.2 Appendix 2: East Lothian Council's Biodiversity Duty Report 2021–2023, submitted to the Scottish Government, December 2023 (available in the Members' Library Service, Ref: 85/24, August 2024 Bulletin).

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

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**REPORT TO:** East Lothian Council  
**MEETING DATE:** 27 August 2024  
**BY:** Executive Director for Council Resources  
**SUBJECT:** Submissions to the Members' Library Service,  
10 June – 11 August 2024

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**10**

## **1 PURPOSE**

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

## **2 RECOMMENDATIONS**

- 2.1 Council is requested to note the reports submitted to the Members' Library Service between 10 June and 11 August 2024, as listed in Appendix 1.

## **3 BACKGROUND**

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

## **4 POLICY IMPLICATIONS**

- 4.1 None

## **5 INTEGRATED IMPACT ASSESSMENT**

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

## **6 RESOURCE IMPLICATIONS**

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

## **7 BACKGROUND PAPERS**

- 7.1 East Lothian Council's Standing Orders – 3.4

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<b>DATE</b>	12 August 2024



**MEMBERS' LIBRARY SERVICE RECORD FOR THE PERIOD  
10 June – 11 August 2024**

<b>Reference</b>	<b>Originator</b>	<b>Document Title</b>	<b>Access</b>
67/24	Head of Corporate Support	Establishment Changes for May 2024	Private
68/24	Head of Communities	Update on Funding for Communities 2024/25	Public
69/24	Executive Director – Council Resources	Staffing Report: Quality Assurance and Governance Manager	Private
70/24	Executive Director – Place	Objections to East Lothian Council (Countess Crescent, Dunbar) Traffic Regulation Order 2023	Public
71/24	Head of Communities	Local Government Benchmarking Framework 2022/23	Public
72/24	Head of Education	Review of Visiting Specialist Service	Private
73/24	Executive Director – Council Resources	2023-24 Awards Made by Common Good Funds	Public
74/24	Executive Director – Council Resources	East Lothian Council Draft (Unaudited) Annual Accounts 2023-24	Public
75/24	Executive Director – Place	Service Review of Sport, Countryside & Leisure	Private
76/24	Head of Infrastructure	New Lease – North Berwick	Private
77/24	Head of Infrastructure	Property Sale – Dunbar	Private
78/24	Head of Infrastructure	Property Sale – Dunbar	Private
79/24	Executive Director – Education & Children's Services	Service Review of Early Years Central Team	Private
80/24	Head of Infrastructure	Property Sale – Wallyford	Private
81/24	Head of Infrastructure	Drainage Servitude – North Berwick	Private
82/24	Head of Finance	Realignment of Management Responsibilities – Revenues	Private
83/24	Service Manager – People & Council Support	Establishment Changes for July 2024	Private

12 August 2024