



MINUTES OF THE MEETING OF THE CABINET

TUESDAY 12 NOVEMBER 2024
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON
AND VIA HYBRID MEETING FACILITY

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Cabinet Members Present:

Councillor S Akhtar
Councillor A Forrest
Councillor C McGinn

Councillor F Dugdale
Councillor N Hampshire (Convener)
Councillor J McMillan

Other Councillors Present:

Councillor G McGuire
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 H Barnett, Head of Corporate Support
Ms W McGuire, Head of Housing
Mr T Reid, Head of Infrastructure
Ms C Rodgers, Head of Communities & Partnerships
Ms E Dunnet, Head of Finance
Mr S Cooper, Service Manager - Communications
Mr C Grilli, Service Manager – Governance
Ms M Cockburn, Service Manager – Procurement/Transformation & Digital Portfolio Manager
Mr J Baker, Service Manager – Economic Development
Ms S Fitzpatrick, Team Leader – Licensing & Landlord Registration
Mr I Forrest, Senior Solicitor

Clerk:

Ms F Currie
Ms E Barclay (Meeting Administrator)

Apologies:

None

Declarations of Interest/Transparency Statements:

Item 5 – Transparency Statement: Councillor McMillan stated that he was a member of the board of East Lothian Food & Drink.

The clerk advised that the meeting was being webcast live via the Council's website in order to allow the public access to the democratic process in East Lothian. East Lothian Council was the data controller under the Data Protection Act 2018. Data collected as part of the recording would be retained in accordance with the Council's policy on record retention, and a recording of this meeting would be publicly available for up to six months.

The clerk took a roll call of Cabinet Members present.

1. MINUTES FOR APPROVAL: CABINET, 10 SEPTEMBER 2024

The minutes of the meeting of the Cabinet on 10 September 2024 were approved.

2. ELC PROCUREMENT ANNUAL REPORT

A report was submitted by the Executive Director for Council Resources informing Cabinet of East Lothian Council's Annual Procurement Report 2023-2024.

The Service Manager – Procurement/Transformation & Digital Portfolio Manager, Michelle Cockburn, presented the report informing Members that this was the first annual report prepared against the 2023-2028 procurement strategy and covered the period 1 April 2023 to 31 March 2024. She highlighted some of the key actions delivered against the specified outcomes of: Good for Businesses and their Employees, Good for Places and Communities; Good for Society; and Open and Connected.

Ms Cockburn responded to questions from Members. She outlined strengthened arrangements to support prompt payment of invoices and advised that 86% of invoices were paid within the specified 30-day period. She provided further information on the national and local frameworks in place to encourage local businesses to bid for contracts, as well as local supports including meet-the-buyer events, feedback on unsuccessful bids and online resources. She agreed to provide additional detail on the contracts awarded to third sector bodies.

Replying to further questions, she set out the definition of local suppliers and the monitoring arrangements in place to ensure that three suppliers are selected in line with the criteria in the strategy. She also provided further background on the arrangements to quantify and report on community benefit. She indicated that the new promotion videos had only recently been launched and it was still too early to tell if they were encouraging contact from new suppliers. However, their impact would be assessed over a period, and she would provide feedback in due course.

Councillor McMillan welcomed the paper and the efforts to develop and deploy the new procurement strategy. He highlighted examples of engagement events and opportunities for business across a range of industries and how this work linked to the theme of investing in East Lothian. He thanked officers for the report.

Councillor Akhtar commented that as one of the biggest employers in East Lothian, the Council should continue to do all it possibly could to support businesses, jobs, work placements and volunteering. She also highlighted the role that Area Partnerships could play and drew attention to some of the community organisations already seeing benefits from this approach. She looked forward to seeing further progress in next year's report.

Councillor McGinn echoed his colleague's remarks. He spoke of his experience of companies who wanted to support communities and volunteering, and to make communities great places to live. He said he was heartened to hear about local businesses who wanted to be involved

and to join the framework, and he was reassured by the level of governance involved. He welcomed the report and looked forward to seeing evidence of its impact on partnership working and volunteering.

The Convener also welcomed the report. He highlighted the importance of being open and transparent about spending of public funds. He welcomed the benefits for local businesses here in East Lothian and said that the Council would continue to support these businesses to get work and contracts.

Decision

The Cabinet agreed to note the report.

3. ADDITION OF LICENSING FEES TO THE FEE STRUCTURE

A report was submitted by the Executive Director for Council Resources providing Cabinet with details of the proposed licence fees to be added to the current fee structure in respect of certain activities not currently included in the structure.

The Service Manager - Governance, Carlo Grilli, presented the report, advising Members that the proposed fees to be added included those related to sex shops, cinemas, performing animals and short-term lets. All fees had been calculated in line with the methodology contained in the recent fee review, previously approved by Cabinet.

There were no questions from Members.

Councillor McMillan welcomed the report which, he said, showed the professionalism of the licensing team. He pointed out the statutory requirements and the need to ensure that the Council's fee structure remained up to date, as well as covering its costs.

The Convener moved to a roll call on the recommendations, which were approved unanimously.

Decision

The Cabinet agreed unanimously, by roll call vote, to fix the licence fee for licences (as detailed in paragraph 3.6 of the report) at the levels proposed within paragraph 3.6.

4. COMMUNITY LEARNING AND DEVELOPMENT (CLD) PARTNERSHIP PLAN

A report was submitted by the Executive Director for Place presenting Cabinet with an update on the Community Learning and Development (CLD) Partnership Plan.

The Head of Communities & Partnerships, Caroline Rodgers, presented the report outlining the background to the CLD Partnership Plan, drawing attention to the update on the implementation arrangements and that a refreshed CLD partnership had been established to oversee these obligations, led by the Executive Director for Education and Children's Services. The CLD plan had to be produced with partners and within the statutory deadline of September 2024. Officers wanted to ensure that the plan reflected the findings of the Education Scotland progress visit at the end of May 2024 and the independent review of the CLD in July 2024. Due to the short timescale, the decision was taken to produce a 1-year plan which focussed on agreed objectives. Officers would then work over the course of the year to produce a plan to cover the period up to 2027. The plan would therefore evolve and develop over this year.

Ms Rodgers also drew attention to the Education Scotland progress visit where inspectors had identified numerous examples of positive progress but were of the opinion that not enough progress had been made with the CLD plan. The subsequent implementation plan captured the work underway to address the areas for improvement, with some actions already completed.

Ms Rodgers responded to questions from Members. She advised that the partnership plan was a relatively high-level plan, and it would be for teams and partners in each community to decide how to deliver its actions. Some communities were likely to need more support than others. She confirmed that the CLD partnership had an existing practice of self-assessment and improvement actions and was working to make further improvements.

Replying to further questions, Ms Rodgers outlined the work underway with services across the Council, and the third sector interface, to identify needs across the county and to target support in the best way possible. She also provided information on the monitoring and reporting arrangements in place, and the ongoing work to consult with young people to ensure their views were reflected. She said she would be happy to arrange a quarterly briefing with Elected Members to update them on progress with the implementation plan.

Councillor McMillan said this was a really important paper which highlighted the need to think strategically about how to commit resources to the areas of greatest need. Reading from the report, he said it was a reminder of the Council's values of enabling, leading and caring, and the need to constantly monitor and tackle challenges. It also emphasised the strong connected communities and partners that existed across the county. He encouraged further promotion of this work with partners, and he welcomed the report.

Councillor Akhtar also welcomed the report and said she looked forward to an update on progress. She drew links with preventative work being done within the areas of health & social care and children & young people's services and to tackle the effects of poverty. She commended this work for supporting opportunities, building relationships and identifying how to get the best outcomes for local communities. She also paid tribute to the voluntary bodies across East Lothian who were an essential part of this work.

Councillor Dugdale agreed that there were important challenges around the increasing older and younger population; increases which were significantly larger than those in other council areas. She welcomed the opportunity to highlight the work being done to help and support communities; work that would make a real difference to individuals and families. She commended the plan as a great achievement.

Councillor McGinn also welcomed the report. He said that everyone had a vested interest in ensuring communities were functioning and well supported. He noted that poverty was a key driver to a lot of the work done by the Council and the marked differences across county meant there was a need to target resources. He urged the need to be mindful of the contribution made by volunteers and the need to adequately support and resource them. He said he looked forward to working with all parties to achieve the identified outcomes.

The Convener said that East Lothian was fortunate in having large numbers of volunteers across its communities. He also highlighted the importance of engagement that began at community level and in ensuring that no one was left behind. He said he was aware that some communities were stronger than others and he urged working with local activists to develop opportunities in these areas. He referenced several projects which had engaged with young people and adults to provide opportunities for training and volunteering within their communities. He welcomed the report but said that there was much more that could be done.

Decision

The Cabinet agreed to note the following, which were approved by the East Lothian Partnership Governance Group on 22 October 2024:

- i. The updated CLD Partnership Plan and Education Scotland Progress Visit Implementation plan.
- ii. The Progress visit Implementation Plan, which would be led by ELC's Connected Communities team.
- iii. That a refreshed CLD Partnership, led by the Executive Director for Education and Children's Services, would oversee and implement a new plan aligned with our Statutory requirements.

5. EAST LOTHIAN FOOD & DRINK – BUSINESS IMPROVEMENT DISTRICT

A report was submitted by the Executive Director for Place updating Cabinet with regards the progress made by the East Lothian Food and Drink Business Improvement District (BID) 2021-2023, seeking confirmation of committed funding, and noting plans for a potential future re-ballot of the county's food and drink producers.

The Service Manager – Economic Development, Jamie Baker, presented the report reminding Members that funding had already been committed as part of the implementation of the BID in 2021, but that its continuation was subject to a satisfactory mid-term review after year 3. A copy of the review was attached to the report. He said that the BID's intention was to survey and re-ballot its members for a further 5 years from 2026. This process would begin towards the end of 2025 and an indicative timeline was also attached to the report. He outlined the background and purpose of the BID and examples of the events and projects it had supported since its inception. He concluded his presentation by advising that future discussions around Council support for a re-ballot of the BID would be subject to a future report.

Mr Baker responded to questions from Members. He provided further details of the work of the BID and drew Members' attention to the table of activity included in his report. He confirmed that work with Queen Margaret University continued and that the Innovation Hub would offer future opportunities for new innovation and technology-based food and drink businesses. He acknowledged that the networks that the BID possessed would be instrumental in supporting and attracting more food and drink businesses to the planned business park around the Hub.

Councillor McMillan welcomed the report which he said demonstrated the long history that the Council's economic development team had in promoting the sector and the East Lothian brand. He said that the BID was unique in its thematic approach and he looked forward to this continuing through the Innovation Hub. He recalled the beginning of the strategy in 2004 to identify opportunities for the local food and drink sector, with the goal of making it easier to set up and grow businesses in East Lothian. This expanded to a wider goal in 2013 to become Scotland's premier food and drink destination, and the promotion of the brand and local small businesses at events, such as the Royal Highland Show. He welcomed and supported the BID as a way of allowing small businesses to strengthen themselves by partnering with them and encouraging people to shop local. He said that sitting on the Board he had witnessed the spirit of support and challenge and striving to improve the brand, supported by a range of service areas within the Council.

Councillor Forrest also welcomed the report. He said that the BID was not just good for high streets but also for the promotion of East Lothian at events across the country. It helped to improve turnover for businesses and was well worth supporting.

Councillor Akhtar commented on the opportunities the BID offered for young people which also helped to build their confidence. She said it was important to recognise and support this work as, despite difficult financial constraints, it represented good value for money. She said that the work had provided national recognition for local businesses, such as The Cheese Lady and Jo’s Kitchen in Haddington, and in future it would help more businesses to develop and hopefully provide more opportunities for young people in the sector.

The Convener also acknowledged the importance of the food and drink sector to East Lothian’s economy adding that the BID had done a lot of good work to support the sector. He believed that the introduction next year of the Innovation Hub would provide further huge potential for growth. He fully supported the continuation of the BID to help maximise opportunities for businesses in East Lothian, and he mentioned a new factory being built at Wallyford as one example of projects that would help to expand the markets for businesses across the county.

The Convener moved to a roll call on the recommendations, which were approved unanimously.

Decision

The Cabinet agreed unanimously, by roll call vote, to:

- i. confirm the Council’s financial commitment of £25,000 for each of 2024/25 and 2025/26 from the Council’s Economic Development budget.
- ii. note that the BID Board intend to survey and then re-ballot the County’s food and drink producers in 2026 to ascertain whether there is continued support for the initiative and to re-establish the BID for a further 5 years. A future decision would be required in relation to ELC funding and other support, a report will be provided in due course.

Signed

Councillor Norman Hampshire
Council Leader and Convener of Cabinet

REPORT TO: Cabinet
MEETING DATE: 21 January 2025
BY: Executive Director for Council Resources
SUBJECT: Budget Development Update

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1 PURPOSE

- 1.1 To provide an update on the provisional local government finance settlement and implications on budget development for 2025/26 onwards.

2 RECOMMENDATIONS

2.1 Cabinet is recommended to:

- Note the assessment of the provisional 2025-26 Local Government Finance Settlement and the anticipated implications for budget planning.
- Note the updated high level General Services Revenue budget model (2025-26 to 2029-30) and updated budget gap shown at Appendix 1.
- Note the draft General Services Capital Programme (2025-26 to 2029-30) at Appendix 2.
- Note the draft Housing Revenue Account budgets at Appendix 3.
- Note the next steps for budget development, outlined at paragraphs 3.45-3.47.

3 BACKGROUND

- 3.1 Scottish Government's budget for the 2025-26 financial year was announced on 4 December 2024, with the provisional funding settlement for Scottish local authorities following on 12 December.

- 3.2 This report provides an overview of the provisional finance settlement for local government for 2025-26, and it sets out the anticipated impact of this on the Council's budget planning for the next financial year and beyond. The report also sets out the recommended next steps working towards setting of the budget, council tax and rent levels by Council on 18 February 2025, in light of the updated budget projections.

Draft Settlement Overview – National Picture

- 3.3 Scottish Government's provisional settlement announcement set out an overall cash increase of £869 million for local government, of which £289 million is additional General Revenue Grant to support local priorities. Funding to support the following policy areas was also announced:

- An additional £15 million to support the expansion of Free School Meals;
- £125 million for adult social care workers in commissioned services;
- £10 million to support provision of Free Personal and Nursing Care;
- An additional £25.7 million to improve pay for early learning and childcare workers;
- An additional £41 million investment to maintain or restore teacher numbers to 2023 levels;
- An additional £28 million for additional support for learning;
- £33 million to support development of people working in children's social work;
- £40 million to tackle the climate emergency;
- An additional £10 million to improve play parks for children; and
- An additional £8.6 million resource and £20 million capital to improve inter-island connectivity.

- 3.4 The draft settlement does not reflect any uplift in funding to offset the costs of the increase to employer National Insurance contributions announced as part of the UK Government's Autumn Budget. Additional funding to cover the employer costs is anticipated, but this will not be confirmed until April 2025. It also remains unclear at this stage whether the additional funding will cover the full cost of the increase, which presents a potential risk to the availability of the full £289 million which has been announced to support local priorities. For context, the total cost to local government as employers is estimated at £265 million.

- 3.5 In addition, there may be further commitments against the unringfenced funding, including pay, inflation and growing demand for services alongside the implementation of the Scottish Local Authorities Remuneration Committee's recommendations following the independent review of councillor remuneration and potential increased costs for commissioned services as a consequence of the employer National Insurance increase.

- 3.6 Other key features of the draft settlement announcement include:

- Package of measures making up the settlement, including some potential future policy direction linked to education and social care.
- Commitment from the Scottish Government to work in partnership with local government to implement the budget and joint priorities.
- No controls or restrictions placed on council tax increases for 2025-26.
- Minimum funding guarantee (floor) has been set at 0.75% below the average.

Local Implications – Revenue

- 3.7 Councils have received notification of their provisional shares of funding announced through the settlement, although a significant amount of the funding remains undistributed at this point in time. Following review of the information provided, officers have produced an initial estimate of the share of funding that East Lothian Council can expect to receive. It should be noted that this analysis is based on provisional information which is liable to change, and it has been necessary to estimate the distribution of a number of significant funding streams.
- 3.8 Based on the initial analysis, it is anticipated that East Lothian Council may see a funding uplift of £12.609 million, comprised of:
- £3.171m to be passported to the Integration Joint Board (IJB) to meet the cost of new policy commitments;
 - £2.043m to support new policy commitments within the Council, along with a further £0.680m which is linked to specific service areas;
 - £6.715m is potentially new, unringfenced funding.
- 3.9 Funding uplifts for the IJB are intended to meet the costs of the real living wage increase (£2.742 million), mental health recovery and renewal (£0.221 million) and free personal nursing care (£0.208 million).
- 3.10 Funding uplifts for new policy commitments within other Council services include:
- Children and young people’s community mental health £0.295m
 - Early learning and childcare workers’ pay £0.680m
 - Free school meals expansion £0.439m
 - Additional support for learning £0.629m (estimated share of £28 million uplift)
 - Teacher support £0.832m (estimated share of £41 million uplift)
- 3.11 As in previous years, the Council remains a contributor to the funding floor, and in 2025-26 the estimated contribution will be £2 million based on the provisional settlement. This represents a reduction of £0.7 million compared to the contribution in the current year.

- 3.12 The draft settlement also confirmed £20 million additional one-off funding allocated during 2024-25 to support the Scottish Welfare Fund. The council's share of this funding is £0.327 million. This is a welcome increase in the current year which has prevented the need to apply the 'high and most compelling' criteria for community care grants. However, given that the increased funding is not being provided on a recurring basis, the council continues to face a risk in relation to this budget and our capacity to provide the same level of financial support to residents who approach us in future years.
- 3.13 Although the anticipated funding increases are well received, a number of significant risks exist within the provisional settlement information:
- As already stated, the increase in employer NI contributions may give rise to pressures which will need to be met from the funding uplift. For Council employees, the estimated cost of the increase is £4.6 million. Therefore, a 50% shortfall in funding would give rise to a budget pressure of £2.3 million (of which £0.3 million would sit within IJB budgets). In addition, there may be cost pressures for commissioned services which will not be met through increased funding.
 - The teacher support grant, estimated at £3.784 million for 2025-26, is conditional on restoring teacher numbers to 2023 levels. It is currently unclear whether or not Scottish Government will accept mitigating factors to reduce this target. The potential cost of this condition if the proposed mitigations are not accepted is estimated at £0.795 million. In addition to this, the package of measures which make up the settlement include a commitment to exploring a phased reduction in class contact time and working to establish a statutory minimum number of learning hours. It is estimated that these additional measures could result in cost pressures in excess of £5 million if they were to become a condition of the grant.
 - The settlement information remains extremely complex, and councils have been given a deadline of 17 January 2025 for raising discrepancies. The provisional settlement will go through the parliamentary process before it is finalised in early March. Both of these factors present a likelihood that some of the figures may change.
 - This is a oneyear settlement covering 2025-26 only, therefore the position beyond this remains unclear.

Budget Model

- 3.14 Reports to Council and Cabinet over the last year have continued to highlight the challenging financial environment facing local government and the wider public sector.
- 3.15 At a local level, the Council continues to face significant challenges as a result of population growth and demographic change. These factors,

along with growing demand for statutory services, are continuing to increase the gap between available funding and expenditure requirements. As one of the fastest growing council areas in Scotland, this remains a significant challenge for East Lothian, and is set alongside other pressures facing the whole of the public sector including pay and contract inflation, along with increasing expectations arising from new policy commitments at a national level. Officers and Members have continued to raise awareness of these challenges through the appropriate channels within Scottish Government and CoSLA.

3.16 These risks are compounded by the uncertainty which arises from one-year funding settlements, which limit the Council's capacity to plan effectively to ensure financial sustainability over the medium term.

3.17 The high-level budget model has been updated to reflect the implications of the provisional settlement and is summarised within Appendix 1. This has been developed by officers working in conjunction with the administration and remains in draft.

3.18 Alongside the impact of the draft settlement, the updated model reflects:

- A provision of 3% for pay increases in 2025-26, 2026-27 and 2027-28, which represents consistency with the updated Public Sector Pay Policy. The later years include an allowance of 2%.
- Updates to estimated inflationary pressures, debt charges, revenue costs of capital and other service pressures.
- A 10% increase in council tax charges in 2025-26, with annual increases of 5% in the years subsequent to that.
- An assumption the cost of employer National Insurance contributions will be fully funded.
- An assumption that savings previously agreed by Council will be delivered, after reprofiling £2.5 million of savings linked to the asset review and income generation into later years.
- Use of the capital reserve to smooth debt charges between 2025-26 and 2027-28.
- An uplift of £7.417 million in the funding offer from the Council to the IJB (comprised of settlement uplifts totalling £3.171 million, assumed employer National Insurance contributions funding of £0.581 million and additional investment from the East Lothian Council of £3.665 million).
- Additional investment in other demand led services including Childrens Services (£2.756 million) and homelessness, to offset the growing range of pressures these services face.
- An assumption that funding allocated for Packaging Extended Producer Responsibility have a cost neutral impact on the 2025-26 budget. The Council's allocation of this funding for 2025-26 is

£2.630 million. This funding comes from DEFRA and does not form part of the provisional settlement, and details are awaited on the specific expectations linked to this funding, along with the impact on future finance settlements.

- 3.19 The budget model reflects a balanced position for 2025-26 with a 10% council tax increase. This means that any additional savings identified for 2025-26 could either provide additional resource to support Council Plan priorities, or be used to offset pressures arising in future years.
- 3.20 In line with the budget development framework, Council will consider a budget covering the next 5 years at the budget meeting on 18 February. Although the additional funding and 10% council tax increase will reduce the risks to achieving a balanced position in the next financial year, the funding position beyond this remains very uncertain and there is an estimated 5-year funding gap for the Council and IJB of £73.459 million. This gap will require further budget reductions and/or additional council tax increases to achieve a balanced position from 2026-27 onwards. Cabinet is therefore strongly recommended to consider measures to close the budget gap over the medium term as part of the budget proposals that will be made to Council for next year and beyond.

Growth Pressures

- 3.21 As noted already, the anticipated uplift in the funding settlement for 2025-26, combined with a 10% council tax increase, make it possible for some of the key risk areas within the budget to be addressed, without needing to identify further savings to offset this in 2025-26.
- 3.22 The funding uplift for these services is provided alongside ongoing efforts to deliver transformational change within the areas to improve outcomes and reduce the need for high-cost interventions. It will also help to mitigate some of the significant budget risks which the Council has faced throughout the current and previous years in relation to managing spend within the budget envelope.
- 3.23 The need for additional investment within Children's Services is evidenced through the significant increase in demand for statutory social work services, with a 30% increase observed since 2017, along with growing cost pressures which have resulted in budget overspends in recent years. This is partly driven by population growth alongside a combination of other pressures which have increased demand on children's services and increased the costs of providing these services.
- 3.24 The service is committed to prioritising continued efforts to prevent children and young people from requiring accommodation and returning children to East Lothian when this is in their best interests. It is considered that the increased funding reflected within the draft budget model will enable this focus to continue.
- 3.25 For adult social care, significant overspends are anticipated in the current financial year (£2.8 million, quarter 2), with further cost pressures forecast

for 2025-26 and beyond. This presents a significant risk to the Council's financial resilience, with a £2.8 million reduction in general balances anticipated as a result of the 2024-25 IJB budget overspend (based on the quarter 2 forecast).

- 3.26 As with children's services, population growth and demographic change have been key drivers of the cost pressures within the IJB, and these pressures have not been recognised by increased funding allocations through the finance settlement in recent years. Although this challenge is not unique to East Lothian, as one of the fastest growing local authority areas in Scotland, these pressures remain particularly acute.
- 3.27 The proposed funding uplift to the IJB in 2025-26 will be provided with a clear expectation that this is used to offset budget pressures and reduce the risk of overspends being transferred back to the Council. If the IJB is able to deliver £0.801 million of the savings that were agreed for 2024-25, it is expected that this will close the budget gap in relation to adult social care. However, the overall IJB budgets may still reflect a funding gap linked to NHS services.

Increased investment in these areas demonstrates alignment of resources with the short-term focus areas in the Council Plan, specifically targeting resources on statutory services and focussing on the highest risks and those most in need.

Council Tax

- 3.28 The draft budget model reflects indicative council tax increases of 10% in 2025-26 and 5% annual increases in the subsequent 4 years, which is consistent with the Financial Strategy and position agreed by Council as part of the 2024-25 budget. This follows the council tax freeze for the current year and if agreed would represent the first increase in council tax charges since 2023-24.
- 3.29 A 10% increase in the council tax charge represents a weekly increase to an average (band D) property of £2.75, and is estimated to result in increased council tax income of £9.456 million in 2025-26, which will support investment in Council services and mitigate the need for further budget reductions. This uplift also reflects estimated housing growth which is informed by data held by the Planning Service.
- 3.30 The Residents' Survey conducted in 2024 included focussed questions around the budget and council tax levels. The majority of respondents indicated a preference for moderate council tax increases rather than cuts to services, with 61% indicating that they would support a council tax increase of not more than £3 per week, which supports the rationale for a 10% increase in 2025-26.

General Services Capital

- 3.31 The provisional Local Government Finance Settlement comprises the following changes to the Council's capital funding in 2025-26:

- £0.471 million uplift to the General Capital Grant (total grant £5.301m)
 - £0.140 million uplift to Private Sector Housing Grant (total grant £0.605m)
 - £0.120 million uplift for Scottish Natural Heritage (total grant £0.161m, note that this line now includes the nature restoration funding)
 - £0.112 million uplift in the Schools Fund (total grant £1.217m)
- 3.32 Alongside these upward movements, the draft settlement figures also reflect a significant clawback of forward funding for flood prevention schemes which has been paid to the Council in 2024-25. This represents a change to the timing of expected cash flows for flood scheme funding and does not impact on the availability of funding to support capital expenditure plans. However, the clawback has resulted in a distorted impact on the funding available for 2025-26 within the draft settlement figures, and officers are engaging in ongoing dialogue with civil servants with a view to resolving this through the final settlement. We will ensure that members are advised of any updates to the draft position resulting from these discussions.
- 3.33 A summary of the draft Capital Programme 2025-26 to 2029-30 is attached at Appendix 2. In the context of the capital grant figures set out above, and the low level of other funding streams relative to the overall expenditure demands, this presents a borrowing need that is becoming unaffordable.
- 3.34 The capital financing requirement for General Services currently stands at £402 million, and the proposed capital expenditure plans would give rise to increased borrowing of £128 million over the next 5 years. High interest rates (relative to recent years) also mean that annual debt charges are expected to exceed £20 million within the next 5 years.
- 3.35 Capital expenditure demands are principally driven by the need to deliver infrastructure to support housing growth in the county. However, this growth is not matched by increases in capital grant, and developer contributions are not sufficient to meet the full cost of these requirements, which has given rise to significant increases in borrowing demands. Furthermore, the revenue consequences associated with the creation of these assets are resulting in increased pressure on revenue budgets.
- 3.36 Council has already taken steps to try and reduce borrowing demands by introducing a £20 million target for capital receipts which can be used to fund capital investment and offset increases in borrowing demands. Realising this target will be reliant on the place-based review of assets progressing at pace over the next 2-3 years.
- 3.37 Work to review the Capital Programme in the context of affordability constraints is ongoing, with a view to identifying priority areas for investment and ensuring that capital expenditure plans yield the maximum benefit for the residents of East Lothian. This work encompasses a review

of planned investment in the learning estate, to ensure that capital expenditure delivers maximum value and aligns with the longer-term requirements of the education service.

Housing Revenue Account (HRA)

- 3.38 The draft settlement announcement made reference to £200 million funding to support housing services, including £34 million for the Ukraine resettlement scheme and £40 million to enable open market acquisitions.
- 3.39 Funding to support the delivery of new affordable housing is key to budget considerations for the HRA; however, the Council's share of this subsidy will not be known until February.
- 3.40 The consultation on 2025-26 rent levels closed on 20 December, and the results of this are detailed in a Members' Library Service report. Tenants were asked for their views on a 7% rent increase, which would give rise to an average weekly increase of £5.75, along with feedback on priority areas for maintaining services and target areas of investment such as windows and doors, damp and mould, roofing and render together with other major works.
- 3.41 In response to consultation feedback, indicative budget planning is based on a 7% increase, and the draft HRA budget proposals attached within Appendix 3 reflect this. Over the coming weeks, meaningful consideration will need to be given to the views expressed in the rent consultation.
- 3.42 The Financial Strategy also includes a commitment to delivering the planned rent restructure and plans are under way to address this during 2025-26.
- 3.43 Cabinet will be aware that the financial strategy sets the following two key financial controls to ensure the sustainability of the HRA:
1. Recommended upper limit for the ratio of debt charges to income to 40% both in the short and longer term
 2. In support of contingency planning, ensuring that the reserve or balance left on the HRA does not fall below £1.0 million
- 3.44 As a general principle, higher rent increases will provide greater headroom for borrowing whilst remaining within these parameters, and therefore increase capacity for capital investment to modernise the existing housing stock and increase the supply of affordable housing.

Next Steps

- 3.45 Over the coming weeks, further work will be needed to finalise the budget proposals for consideration by Council on 18 February. It is recommended that these considerations incorporate the following:
- Proposals to close the revenue budget gap for 2026-27 onwards; part of these considerations.

- Capital priorities for 2025-26 onwards, and scope to delay or pause planned spending within the general services capital budgets.
- Council tax levels for 2025-26, and indicative increases for planning purposes from 2026-27 onwards.
- Rent levels for 2025-26, and indicative increases for planning purposes from 2026-27 onwards.
- HRA capital expenditure priorities, taking on board the results of the consultation.

3.46 In line with the budget development framework, the cross-party budget group has continued to meet throughout 2024 to consider matters related to budget, including options to reduce spending across all service areas.

3.47 The below process was agreed by Council in December for development and approval of general services and HRA budgets for 2025/26:

21 January 2025 – updated budget model presented to Cabinet for noting.

27 January 2025 by midday – deadline for group leaders who wish to submit draft budget proposals to the Head of Finance.

28 January 2025 – draft budget proposals submitted for all groups shared with the cross-party group, after checking for competence.

6 February 2025 by midday – deadline for all groups to submit final budget proposals for the Council meeting.

11 February 2025 – papers published for Council meeting.

18 February 2025 – Council Budget Meeting

3.48 Dates for the budget bill are set out below:

Stage one: 4 February 2025

Stage two: 18 February 2025

Stage three: 25 February 2025

The debate on the LG Finance Order is usually held a week after stage three.

3.49 As this means that Council will agree the 2025-26 budget in advance of the settlement information being finalised, any changes which arise through the later stages of this process will be considered at a future meeting of Council.

4 POLICY IMPLICATIONS

- 4.1 This report is for noting only and as such there are no direct policy implications arising from the recommendations. However, they will support the Council's overall achievement of its aims by ensuring sound financial management.

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. However, impact assessments will be undertaken as appropriate for any changes to service delivery or charges which are agreed through the development of the budget in order to ensure that decisions taken are informed by this.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – as described within the report and supporting appendices.
- 6.2 Personnel - none
- 6.3 Other – none

7 BACKGROUND PAPERS

- 7.1 Council, 10 December 2024 - Financial & Capital Strategies 2025-30
- 7.2 Council, 27 August 2024 – Budget Development 2025-26 onwards
- 7.3 Members Library Service – Rent Consultation

AUTHOR'S NAME	Ellie Dunnet
DESIGNATION	Head of Finance
CONTACT INFO	edunnet@eastlothian.gov.uk
DATE	6 January 2025

**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
Base Budget	316,734	342,019	343,897	346,892	351,814	
Growth						
Pay	6,214	6,566	7,319	5,854	5,336	31,289
Employer National Insurance Increase	4,581	0	0	0	0	4,581
Inflation & Indexation	2,073	3,752	4,024	4,195	4,362	18,406
Growth including RCC	7,097	7,378	3,153	5,041	5,093	27,762
Growth Pressures - Children's Services	2,756	0	0	0	0	2,756
Growth Pressures - IJB	3,665	0	0	0	0	3,665
Debt Charges	8,109	-4,777	45	492	760	4,629
Total Growth	34,495	12,919	14,541	15,582	15,551	93,088
Funding / income changes						
RSG - additional funding	-7,395	0	0	0	0	-7,395
RSG - funding for new policy commitments (Council)	-2,043	0	0	0	0	-2,043
RSG - funding for new policy commitments (IJB)	-3,171	0	0	0	0	-3,171
RSG - funding for Employer National Insurance Increase	-4,581	0	0	0	0	-4,581
RSG - funding for existing policy commitments	-1,217	0	0	0	0	-1,217
SFT funding	269	73	63	6	0	411
Service Concessions Flexibility	-1,193	-107	42	-98	-277	-1,633
Total Funding Changes	-19,331	-34	105	-92	-277	-19,629
FUNDING GAP COUNCIL + IJB	15,164	12,885	14,646	15,490	15,274	73,459
Service Concessions - Contribution to Reserves	1,193	107	-42	98	277	1,633
SFT funding - Contribution to Reserves	0	1,595	-63	-6	0	1,526
Use of capital reserve	-7,759	5,475	4,219	0	0	1,935
Repayment of 2024/25 Reserves	1,000	0	0	0	0	1,000
General Fund Balance	1,006	-1,006	0	0	0	0
Total Reserve Movements	-4,560	6,171	4,114	92	277	6,094
Existing savings plans (breakdown below)	-3,120	-2,094	-1,585	0	0	-6,799
Risk to savings delivery	2,500	0	-1,000	-1,000	-500	0
Existing savings plans (IJB)	-801	0	0	0	0	-801
Total Savings	-1,421	-2,094	-2,585	-1,000	-500	-7,600
BUDGET GAP REMAINING	9,183	16,962	16,175	14,582	15,051	71,953
PROPOSED ADDITIONAL SERVICE REDUCTIONS	0	0	0	0	0	0
Additional Investment - Other	273	0	0	0	0	273
Total New Investment	273	0	0	0	0	273
Council tax increase y1-5 10%/ 5% / 5% / 5%/ 5%	-9,456	-5,165	-5,196	-5,408	-5,734	-30,959
REVISED BUDGET GAP COUNCIL + IJB	0	11,797	10,979	9,174	9,317	41,267

Breakdown of Planned Savings

	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/30 £000	Total £000
EXISTING SAVINGS (previously agreed by Council)						
<u>Deliverable Savings</u>						
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	0	-1,000	-500	0	0	-1,500
Asset Review	0	-1,000	-1,000	0	0	-2,000
Income generation	-100	0	0	0	0	-100
Reduction in budget for IMI	-235	0	0	0	0	-235
Redesign of libraries service	-120	0	0	0	0	-120
Income generation	-120	0	0	0	0	-120
						0
<u>Savings with Delivery Risks</u>						0
Income generation	-900	0	0	0	0	-900
Asset Review	-1,000	0	0	0	0	-1,000
Further asset review savings	-600	0	0	0	0	-600
	-3,120	-2,094	-1,585	0	0	-6,799
<u>Reprofile of Savings with Delivery Risks</u>						
Income generation	900	0	-900	0	0	0
Asset Review	1,000	0	-100	-400	-500	0
Further asset review savings	600	0	0	-600	0	0
	2,500	0	-1,000	-1,000	-500	0
TOTAL BUDGET SAVINGS & EFFICIENCIES	-620	-2,094	-2,585	-1,000	-500	-6,799

Reconciliation of IJB Position

Growth						
Pay	757	785	907	665	673	3,787
Employer National Insurance Increase	581	581	581	581	581	2,905
Inflation & indexation	2,553	2,816	2,957	3,104	3,257	14,687
Growth including RCC	4,327	530	487	260	153	5,757
TOTAL	8,218	4,712	4,932	4,610	4,664	27,136
Funding / income changes						
Additional Investment from East Lothian Council	-3,665	0	0	0	0	-3,665
RSG - funding for new policy commitments	-3,171	0	0	0	0	-3,171
RSG - funding for Employer National Insurance Increase	-581	0	0	0	0	-581
TOTAL	-7,417	0	0	0	0	-7,417
FUNDING GAP - IJB	801	4,712	4,932	4,610	4,664	19,719
Existing savings plans	-801	0	0	0	0	-801
FUNDING BUDGET GAP - IJB	0	4,712	4,932	4,610	4,664	18,918

	P6 (Q2) Outturn 2024/25 £000	Year 1 2025/26 £000	Year 2 2026/27 £000	Year 3 2027/28 £000	Year 4 2028/29 £000	Year 5 2029/30 £000	5 Year Total £000	External Funding £000	GCG funding/ Borrowing Requirement £000
Expenditure									
Total Community Projects	2,007	1,406	312	300	300	300	2,619	(718)	1,901
Total ICT	2,400	2,321	2,403	2,431	2,300	2,300	11,755	-	11,755
Total Fleet	4,780	5,974	2,281	2,143	3,908	2,700	17,006	-	17,006
Total Open Space	6,215	6,576	6,995	6,791	23,723	37,466	81,551	(67,842)	13,708
Total Roads, Lighting and related assets	15,093	16,323	15,611	16,770	11,590	11,590	71,884	(7,705)	64,179
Total Property - Education	59,121	12,613	4,475	7,427	10,651	18,702	53,869	(27,253)	26,616
Total Property - Other	21,074	15,791	8,089	2,331	2,240	2,240	30,691	(7,635)	23,055
PPP Projects	-	-	-	-	-	-	-	-	-
Capital Plan Fees	2,524	2,650	2,730	2,812	2,896	2,983	14,070	-	14,070
Total Gross Expenditure	113,214	63,654	42,896	41,004	57,608	78,281	283,444		172,291
Income									
Developer contributions	(10,483)	(6,344)	(2,760)	(4,118)	(7,345)	(12,207)	(32,775)		
1140 grant income	-	(173)	-	-	-	-	(173)		
Town centre regeneration grant income	(470)	(208)	-	-	-	-	(208)		
Flood scheme general capital grant	(16,980)	(986)	(1,345)	(3,648)	(13,699)	(20,979)	(40,656)		
Other	(17,421)	(10,148)	(3,684)	(560)	(5,210)	(9,370)	(28,972)		
Capital receipts	(8,065)	(7,369)	(5,000)	(5,000)	(2,000)	(4,000)	(23,369)		
Scottish Government general capital grant	(26,486)	(4,242)	(4,892)	(4,892)	(7,211)	(7,211)	(28,447)		-
Total Income	(79,905)	(29,470)	(17,681)	(18,218)	(35,465)	(53,767)	(154,601)	(111,153)	(43,447)
Net Borrowing Requirement	33,309	34,185	25,215	22,786	22,143	24,514	128,843		128,843

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Revenue	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	2028/29 Budget £'000	2029/30 Budget £'000	2030/31 Budget £'000	2031/32 Budget £'000	2032/33 Budget £'000	2033/34 Budget £'000	2034/35 Budget £'000

Rent Increase	7%	5%	5%	5%	5%	5%	5%	5%	5%	5%
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Income	-44,064	-46,809	-49,617	-52,449	-55,253	-58,200	-61,233	-65,463	-68,731	-72,160
Expenditure	40,439	42,564	44,206	46,084	47,839	48,707	50,451	51,687	51,841	53,192

Opening Surplus	-2,017	-1,542	-1,687	-1,698	-1,663	-1,677	-1,670	-1,652	-1,628	-1,618
CFCR	4,100	4,100	5,400	6,400	7,400	9,500	10,800	13,800	16,900	18,900
Surplus for the Year	-3,625	-4,245	-5,411	-6,365	-7,414	-9,493	-10,782	-13,776	-16,890	-18,968
Closing Surplus	-1,542	-1,687	-1,698	-1,663	-1,677	-1,670	-1,652	-1,628	-1,618	-1,686

Debt Charges	15,957	17,328	18,238	19,223	20,175	20,214	21,104	21,425	20,668	21,080
Debt to Income Ratio	-36.21%	-37.02%	-36.76%	-36.65%	-36.51%	-34.73%	-34.47%	-32.73%	-30.07%	-29.21%

Capital Programme	2025/26 Budget £'000	2026/27 Budget £'000	2027/28 Budget £'000	2028/29 Budget £'000	2029/30 Budget £'000	2030/31 Budget £'000	2031/32 Budget £'000	2032/33 Budget £'000	2033/34 Budget £'000	2034/35 Budget £'000	10 Year Total £'000
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Expenditure

Modernisation	13,375	14,248	15,911	16,716	17,381	17,725	18,185	18,916	19,559	20,202	172,218
Energy Efficiency	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	25,000
New Affordable Council Housing	20,972	18,429	17,608	11,980	5,500	5,500	0	0	0	0	79,989
Fees	1,496	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	14,996
Mortgage to Rent	280	280	280	280	280	280	280	280	280	280	2,800
Total	38,623	36,957	37,799	32,976	27,161	27,505	22,465	23,196	23,839	24,482	295,003

Funding

CFCR	4,100	4,100	5,400	6,400	7,400	9,500	10,800	13,800	16,900	18,900	97,300
New Build Grants	5,303	2094	0	0	0	0	0	0	0	0	7,397
Mortgage to Rent Subsidy	196	196	196	196	196	196	196	196	196	196	1,960
Borrowing	29,024	30,567	32,203	26,380	19,565	17,809	11,469	9,200	6,743	5,386	188,346
Total	38,623	36,957	37,799	32,976	27,161	27,505	22,465	23,196	23,839	24,482	295,003

REPORT TO: Cabinet
MEETING DATE: 21 January 2025
BY: Executive Director for Council Resources
SUBJECT: Financial Management Code

3

1 PURPOSE

- 1.1 To consider the recommendation from the Audit and Governance Committee to formally adopt the principles of CIPFA's Financial Management Code on behalf of Council.

2 RECOMMENDATIONS

- 2.1 Cabinet is recommended to:
- Note the purpose and principles of the Financial Management Code, as detailed in this report.
 - Note the conclusion that overall, the Council remains compliant with the 7 principles of the Code.
 - Formally adopt the principles of CIPFA's Financial Management Code.

3 BACKGROUND

- 3.1 The Financial Management Code (FM Code) sets the standards of financial management for local authorities and is designed to support good practice and financial sustainability. The Chartered Institute of Public Finance & Accountancy (CIPFA) produced the Code in the context of the significant financial and demand pressures facing all local authorities, alongside the high-profile financial management issues which have faced a small number of local authorities in recent years.
- 3.2 CIPFA considers application of the FM Code to be a collective responsibility of each authority's organisational leadership team.

- 3.3 In September 2023, the Audit and Governance Committee considered officers' initial assessment of compliance with the FM Code, noting that the Council is broadly complying with the standards set out in the Code, with some areas in which this could be enhanced. An updated assessment of compliance against these standards and progress towards implementing agreed actions was subsequently reported to the Audit and Governance Committee in September 2024.
- 3.4 The Code itself is not prescriptive in nature, but centred around the following principles of good financial management:
- Organisational **leadership** – demonstrating a clear strategic direction based on a vision in which financial management is embedded into organisational culture.
 - **Accountability** – financial management is based on medium-term financial planning, which drives the annual budget process supported by effective risk management, quality supporting data and whole life costs.
 - Financial management is undertaken with **transparency** at its core using consistent, meaningful and understandable data, reported with appropriate frequency and with evidence of periodic officer action and elected member decision making.
 - Adherence to professional **standards** is promoted by the leadership team and is evidenced.
 - Sources of **assurance** are recognised as an effective tool mainstreamed into financial management and include political scrutiny and the results of external audit, internal audit and inspection.
 - The long-term **sustainability** of local services is at the heart of all financial management processes and is evidenced by prudent use of public resources.
- 3.5 The Code translates these principles into a series of standards, which were used to form the assessment of compliance with the Code. Although compliance with the standards is not prescribed in legislation, it is the duty of each local authority to adhere to the principles of proper financial management. Compliance with the standards is established through self-assessment, which has been reported to the Audit and Governance Committee, as noted above. It should be noted that the financial management standards are minimum standards and, in some cases, may be exceeded.
- 3.6 An internal audit review of Financial Sustainability in May 2024 provided reasonable assurance in this area but noted that the principles of the CIPFA FM Code had not been formally adopted by the Council. This was considered by the Audit and Governance Committee on 17 September 2024, and given that it is not within the remit of this committee to adopt the Code on behalf of the Council, the Committee agreed that adoption of the Code principles would be recommended to Cabinet.

3.7 The purpose of this report is therefore to recommend that Cabinet agrees to formally adopt the principles of CIPFA's Financial Management Code on behalf of the Council, to support good practice and effective management of the council's financial resources.

4 POLICY IMPLICATIONS

4.1 There are no direct policy implications which arise from this report. However, they will support the Council's overall achievement of its aims by ensuring sound financial management.

5 INTEGRATED IMPACT ASSESSMENT

5.1 The recommendations do not propose any changes which would require an impact assessment.

6 RESOURCE IMPLICATIONS

6.1 Financial – There are no cost implications arising from this report. However, the recommendations are intended to support good financial management and financial sustainability.

6.2 Personnel - none

6.3 Other – none

7 BACKGROUND PAPERS

7.1 Report to the Audit & Governance Committee on 17 September 2024 – Financial Management Code Update – which can be viewed using this [LINK](#).

AUTHOR'S NAME	Ellie Dunnet
DESIGNATION	Head of Finance
CONTACT INFO	edunnet@eastlothian.gov.uk
DATE	6 January 2025

REPORT TO: Cabinet
MEETING DATE: 21 January 2025
BY: Executive Director for Council Resources
SUBJECT: Changes to Council Tax Empty Property Relief Policy

4

1 PURPOSE

- 1.1 To seek Cabinet's agreement to change the Council's Council Tax Empty Property Policy.

2 RECOMMENDATIONS

- 2.1 Cabinet is recommended to:

- Approve the Council Tax Empty Property Policy changes outlined within the report. If approved, the revised policy will be effective from 1 April 2025;
- Agree that any increase in council tax income generated from this policy change will be earmarked for the purposes set out in paragraph 3.7.

3 BACKGROUND

- 3.1 Empty properties are dwellings that are not anyone's sole or main place of residence. There are currently approximately 515 properties in East Lothian which have been empty for a period of six months or more¹. This classification of property for council tax purposes is distinct from second homes, which are defined as furnished properties which are no-one's sole or main residence, but occupied for at least 25 days per year.

¹ As at 9 January 2025 (according to council tax system records)

- 3.2 The Council's Local Housing Strategy recognises the benefits of taking steps to bring long term empty properties back into use to increase housing supply in the county.
- 3.3 The Council's Empty Property Policy was last reviewed in 2013, and details of the council tax charges applicable to these can be found [here](#). At this point discounts were removed for properties which had been empty for longer than 12 months. Premiums were also introduced, starting with an additional 50% charge after properties had been empty for 24 months (applicable from 1 April 2015), rising to 100% after 36 months (applicable from 1 April 2016).
- 3.4 Legislation requires a mandatory period of exemption and discounted council charges in the first 12 months of a domestic property becoming empty. Within existing powers, it is possible for the Council to introduce reduce or remove the discount, and apply 100% premium on applicable empty properties after 12 months. The rationale for adopting the phased approach that is currently in place was as follows:
- By adopting this staged and incremental approach, owners of long-term empty properties will be provided with a clear signal of the Council's intent but afforded reasonable time to consider the implications of the Council's decision.*
- 3.5 Given the length of time that this policy has been in place, it is considered appropriate that a review is now undertaken. In the context of the affordable housing emergency which the Council declared in November 2024, and the ambitions set out in the Local Housing Strategy, Cabinet is now asked to consider an update to the policy provisions, which would see a reduction in the level of discount awarded to properties which have been empty for over 6 months from 50% to 10%, and application of the 100% premium after 12 months.
- 3.6 A more detailed visual summary of the proposed changes to the policy is set out within Appendix 1. This also details the exceptional circumstances in which the premiums would not be applied.
- 3.7 The primary reason for introducing these changes to the policy is to encourage property owners to bring their properties back into use and discourage properties being left empty for long periods. It is recommended that any increased council tax yield is earmarked for the following purposes:
- Providing new-build affordable housing through Registered Social Landlords (RSLs) or new council house building;
 - Bringing empty properties back into affordable housing use – including topping up or establishing an Empty Homes Loan Fund;
 - Land acquisition for affordable housing development;

- Purchasing off-the-shelf houses from private developers for affordable housing use – including the purchase of developers’ part-exchange properties
- 3.8 It should be noted that ring fencing of income generated from reducing the discount anywhere between 50% and 10% for both long-term empty homes and second homes is mandated by law as set out above. Further income generated under discretionary powers to reduce the discount below 10% and apply premiums can be used in any way which the Council sees appropriate on housing or other priorities. The recommendation for the income to be earmarked will support the Council’s response to the affordable housing emergency declared in November 2024 and presents an opportunity to invest in measures which may assist with bringing these properties back into use.
- 3.9 It is recognised that there will be a range of different reasons for properties to remain empty for a prolonged period, some of which may be very complex and, in some cases, may require external support or intervention to help owners to sell, let or occupy these properties.
- 3.10 In 2023, Scottish Government consulted on further discretionary powers to enable councils to apply additional premiums of up to 300% on long term empty properties and second homes. For the avoidance of doubt, the legislation to enable such a policy change has not yet been enacted and as such, these considerations are not the focus of this report. If and when these powers are conferred to councils, a further report will be brought back to Cabinet to consider this.

4 POLICY IMPLICATIONS

- 4.1 The changes to the Council’s Council Tax Empty Property Policy seek to maximise the council tax charges applicable to empty properties within existing powers, as a means of encouraging property owners to bring these properties back into use and generate an income stream which can be used to support this. The proposed changes will mean the application of a 100% council tax premium (double the standard bill) for properties which have been empty for over 12 months. Under the current policy, stepped increases apply with full application of the 100% premium applying after 36 months.
- 4.2 A summary of the proposed policy changes has been provided within Appendix 1.
- 4.3 If approved, the policy changes will apply from 1 April 2025, and property owners will be notified of these changes in advance of this.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 An integrated impact assessment for these changes has been completed and published on the Council's website.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – As the number of empty properties at any given time is variable, and subject to regular movement, it is not possible to provide an exact value of the additional income expected. Based on a 13 January 2025 analysis of 637 empty properties, additional income gained from the policy changes described below could be up to £81,266 (based on 2024/25 council tax band charges).

East Lothian Council is currently liable for 9 empty properties affected by these changes. East Lothian Council's liability for council tax on these properties will also increase. The additional cost to the housing revenue account is estimated to be in the region of £1964.

- 6.2 Personnel – None
6.3 Other – None

7 BACKGROUND PAPERS

- 7.1 None

AUTHOR'S NAME	Ellie Dunnet
DESIGNATION	Head of Finance
CONTACT INFO	edunnet@eastlothian.gov.uk
DATE	10 January 2025

APPENDIX 1

CURRENT council tax empty property guide:

	From empty date up to 6 months	From 7 to 12 months	From 13 months to 24 months		From 25 months to 36 months	37 months onwards
Unoccupied and unfurnished	Exemption	50 % discount	Standard charge		50% premium	100% premium
Unoccupied and unfurnished plus eligible for exclusion from increase (for sale or let at start of month 13 until end of month 24)	Exemption	50 % discount	10 % discount		50% premium	100% premium
Unoccupied and unfurnished plus eligible for exclusion from increase (for sale or let at start of month 17 until end of month 24)	Exemption	50 % discount	Standard charge	10 % discount	50% premium	100% premium
Unoccupied and unfurnished plus eligible for exclusion from increase (for sale or let at start of month 21 until end of month 24)	Exemption	50 % discount	Standard charge	10 % discount	50% premium	100% premium
Unoccupied and furnished	10 % discount		Standard charge		50% premium	100% premium
Unoccupied and furnished plus eligible for exclusion from increase (for sale or let at start of month 13 until end of month 24)	10 % discount		10 % discount		50% premium	100% premium
Unoccupied and furnished plus eligible for exclusion from increase (for sale or let at start of month 17 until end of month 24)	10 % discount		Standard charge	10 % discount	50% premium	100% premium
Unoccupied and furnished plus eligible for exclusion from increase (for sale or let at start of month 21 until end of month 24)	10 % discount		Standard charge	10 % discount	50% premium	100% premium
Uninhabitable due to major work	Exemption		10% discount			
Unoccupied and unfurnished - major work starts after 50% premium from month 37 onwards	Exemption	50 % discount	Standard charge		50% premium	10% discount
Unoccupied and permanent/temporary exemption (e.g. prohibited by law, repossessed, difficult to let separately etc.)	Exemption for as long as circumstances stay the same. After that, unoccupied and unfurnished, or unoccupied and furnished, rules apply					

PROPOSED council tax empty property guide, applicable from 1 April 2025:

	From empty date up to 6 months	From 7 to 12 months	From 13 months to 24 months	From 25 months to 36 months	37 months onwards
Unoccupied and unfurnished	Exemption	10 % discount	100% premium		
Unoccupied and unfurnished plus eligible for exclusion from increase (for sale or let at start of month 13 until end of month 24)	Exemption	10 % discount	Standard charge	100% premium	
Unoccupied and unfurnished plus eligible for exclusion from increase (for sale or let at start of month 17 until end of month 24)	Exemption	10 % discount	100% premium	Standard charge	100% premium
Unoccupied and unfurnished plus eligible for exclusion from increase (for sale or let at start of month 21 until end of month 24)	Exemption	10 % discount	100% premium	Standard charge	100% premium
Unoccupied and furnished	10 % discount		100% premium		
Unoccupied and furnished plus eligible for exclusion from increase (for sale or let at start of month 13 until end of month 24)	10 % discount		Standard charge	100% premium	
Unoccupied and furnished plus eligible for exclusion from increase (for sale or let at start of month 17 until end of month 24)	10 % discount		100% premium	Standard charge	100% premium
Unoccupied and furnished plus eligible for exclusion from increase (for sale or let at start of month 21 until end of month 24)	10 % discount		100% premium	Standard charge	100% premium
Uninhabitable due to major work	Exemption		10% discount		
Unoccupied and unfurnished - major work starts after 100% premium from month 25 onwards	Exemption	10 % discount	100% premium	10% discount	
Unoccupied and permanent/temporary exemption (e.g. prohibited by law, repossessed, difficult to let separately etc.)	Exemption for as long as circumstances stay the same. After that, unoccupied and unfurnished, or unoccupied and furnished, rules apply				

REPORT TO: Cabinet
MEETING DATE: 21 January 2025
BY: Executive Director for Council Resources
SUBJECT: Impact of Austerity

5

1 PURPOSE

- 1.1 Following on from a motion presented to Council on 29 October 2024, this report sets out the potential measures that may be available to the Council to address the impact of continuing 'austerity' on the community.

2 RECOMMENDATIONS

- 2.1 Cabinet is recommended to note the content of the report.

3 BACKGROUND

- 3.1 Over recent years, most households have experienced significant increases in household finances aligned to an ongoing cost-of-living crisis. Much of this has been driven by a wide range of external factors, including a global pandemic and economic pressures including recession, interest rates, and economic turbulence affecting the energy market. The impact has been wholesale, affecting both our communities and many households, particularly those on lower income.
- 3.2 During this time, the Council has continued to focus on mitigating and supporting those households who have been most affected, aligning policies and strategies, and providing financial support to those most impacted within the resource envelope available. This has continued to be extremely challenging, particularly given the continued pressure on Council funding and growing demands, with much of the focus aligned to statutory schemes and maximising benefit uptake.
- 3.3 As a reminder, most of the Council's funding is supported by national government, with the balance of just under a quarter supported by other funding, including Council Tax. The funding made available through

national budgets (both UK Government (UKG) and Scottish Government (SG)) has a significant impact on the funding available to support the delivery of local services and local priorities, and in recent years the continued pressure on public finances, and in particular the complexity and conditions imposed on the Local Government Finance Settlement, has made balancing service delivery, statutory obligations and supporting local outcomes, at the same time being able to transform and mitigate the impact of austerity on our communities, very difficult. At a local level this has been further impacted by the additional pressures arising from supporting a growing population and the impact this has had on the delivery of essential local services within a reduced funding envelope.

3.4 At its meeting in October 2024, Council agreed for a report to consider the potential measures available to it to address the impact of continuing 'austerity' on our communities to be brought back to either Council or Cabinet for consideration.

3.5 The Council has continued to focus on alignment of strategies to support early intervention and prevention including:

- Re-prioritisation of the Council Plan, whilst retaining the original objectives, including supporting reducing poverty and inequalities. The new focussed priorities include:
 - Enhanced focus on financial sustainability of the Council;
 - 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.
- Refreshed Poverty Plan which is focussing on tackling poverty and getting more cash in people's pockets;
- Refreshed Local Economy Strategy focussed on economic development, job creation and embedding the principle of community wealth building;
- Refreshed Local Housing Strategy.

3.6 In addition, Council services have continued to work in partnership with our communities to support those most in need and are facing the most significant impact of ongoing austerity measures, including:

- Providing an enhanced range of advice to all local residents and tenants to maximise benefit take-up;
- Investing in an in-house Financial Inclusion Service. During 2023/24, for every £1 invested, household income for residents

using the service was increased by £9.46 in benefits and grants, which may otherwise have gone unclaimed;

- Working in partnership with Macmillan to provide a welfare benefit advice and advocacy service to people with cancer and their families and carers, to help them live as normal a life as possible, maintain independence and improve their quality of life;
- The Council continues to maximise all opportunities to deliver affordable housing within East Lothian, although much of this remains dependent on national grant subsidy;
- Continuing to invest in energy efficiency initiatives to support those in fuel poverty;
- Continuing to work to support and improve the employability opportunities through skills development, job creation and community wealth building within our local communities. This has included the Council becoming a Real Living Wage accredited employer.
- Continuing to focus on reducing the poverty-related attainment gap for our children and young people, closely monitored through the Education Improvement Plan.
- Continuing to support those most vulnerable within society to live independently in their own home.

3.7 The Council's ability to provide additional and ongoing support must sit within the resources it has available, and also national policy direction. As the challenges in public sector funding remains, difficult policy decisions are being taken at a UKG, SG and local level to balance obligations within the limited resources available. The compounded nature of ongoing cost-of-living challenges alongside new policy choices impact on communities and households very differently. Understanding the impact of these decisions and how the Council can support remains essential.

3.8 Current measures of support include:

- Statutory schemes such as Housing Benefit, Council Tax Reductions and Discretionary Housing Payments will continue to be delivered by the Council as per the conditions stated within each scheme, and the Council will continue to actively ensure that they work with customers to ensure they are maximising their full entitlement. The Council has a dedicated web page designed to support and ensure people receive the financial support they are entitled to and supports advice and guidance across a wide range of benefits.
- The Council has continued to support a campaign designed to increase Pension Credit take up aligned to the changes in Winter Fuel Payment. This promotion has continued to see a positive

increase in the take up of pension credit and work remains ongoing to maximise take-up.

- The Council continues to promote and administer the Scottish Welfare Fund (SWF) which is a Scottish Government scheme designed to assist those most vulnerable households through the provision of grants. The funding to support this was made available in the national funding settlement, but in recent years demand has significantly outstripped resources available. During 2023/24, the Council moved to an award of community care grants based on 'highest and most compelling' assessment criteria. The Scottish Government has provided additional non-recurring funding during this year to support the ongoing pressures and increased demand, but unless substantial additional recurring funding is made available, it may be difficult for the Council to provide enhanced resources to meet the growing levels of demand.
- The Council has also provided funding to support a local Energy Advice Service supported by Changeworks, which offers in-depth energy advice and information, grant applications to support those in fuel poverty and advocacy work with energy suppliers particularly in supporting managing household energy debt. The ability to support this service on an ongoing basis will remain dependent on recurring additional funding being made available.

3.9 The Council received its draft local government finance settlement in mid-December, with full budget considerations for 2025/26 and future years' budget plans to be considered by Council on 18 February 2025. As part of this, Council will need to determine any flexibility and policy choices to support ongoing mitigations supporting those most vulnerable households.

3.10 In setting this, Council will also need to determine the impact of changes in national policies, including how the cost increase in employers' National Insurance contributions rate will be funded, with national discussions between UK and Scottish Government. This will not only significantly increase the cost of delivering Council services but will also increase the cost of many commissioned services procured by the Council, including those within the Integration Joint Board (IJB). Officers are continuing to work to ascertain the extent of this pressure, and to support national discussions, but without additional national resources, this will require some difficult decisions.

3.11 It is anticipated that multi-year funding to support the financial sustainability of vital and essential public services will be confirmed in the spring pending the outcome of the UKG Spending Review. Whilst it remains unclear what the outcome of this will deliver both in terms of available funding to support public services, and indeed political choices being made available through devolved budget decisions taken by the Scottish Government, this may provide some certainty to support comprehensive medium-term financial planning going forward and

potentially some additional funding that could be used to provide further support.

4 POLICY IMPLICATIONS

4.1 There are no direct policy implications which arise from this report.

5 INTEGRATED IMPACT ASSESSMENT

5.1 Any policy decisions aligned to budget decisions may need to be supported by updated integrated impact assessment.

6 RESOURCE IMPLICATIONS

6.1 Financial – Any on-going measures will need to be considered within the available resources to the Council.

6.2 Personnel - none

6.3 Other – none

7 BACKGROUND PAPERS

7.1 Motion to Council on 29 October 2024: 'Impact of Austerity', available at: [Agendas, reports and minutes | East Lothian Council](#)

AUTHOR'S NAME	Sarah Fortune
DESIGNATION	Executive Director for Council Resources
CONTACT INFO	sfortune@eastlothian.gov.uk
DATE	13 January 2025

REPORT TO: Cabinet
MEETING DATE: 21 January 2025
BY: Executive Director for Council Resources
SUBJECT: Equal Employment Opportunities Policy

6

1 PURPOSE

- 1.1 To seek approval of the attached Equal Employment Opportunities Policy (see Appendix A), following full employee and Trade Union consultation and Corporate Management Team (CMT) endorsement.
- 1.2 The purpose of this Human Resources (HR) Policy is to:
 - Outline the Council's commitment to equality of opportunity and the prevention of discrimination, victimisation, or harassment by fostering an open and inclusive working culture which supports an inclusive and collaborate work environment where differences are respected.
 - To create a workplace policy framework around which strategies and action plans can be developed regarding elimination of unlawful discrimination within employment, advancement of equal opportunities, fostering positive relations between all equality groups and promoting inclusion.
 - Outline the responsibilities of managers, employees, Trade Unions and HR in supporting an inclusive workplace and signposting to the appropriate internal and external information and support services.
 - Outline arrangements for raising concerns internally and externally.

2 RECOMMENDATIONS

- 2.1 Cabinet is asked to approve the Equal Employment Opportunities Policy.

3 BACKGROUND

- 3.1 This policy supersedes the current East Lothian Council (ELC) policy, supporting the publication of the Council's Equal Opportunities Statement in 2023.
- 3.2 The Equal Employment Opportunities Policy has been updated to reflect current equalities legislation and practice, recognising that further changes to equalities legislation and workforce is expected within the next year or so under the new Labour Government.
- 3.3 The Policy has been through formal consultation with all employees and Trades Unions and a summary of feedback is included at Appendix B.
- 3.4 The feedback received has informed changes to the original draft which include:
- Clarification of our complaints procedures for employees and non-employees.
 - Further clarification of the support available via HR and Trades Union Representatives.
 - Emphasising the Council's commitment to ensure all managers and employees undertake ongoing, related equalities training.
 - Further inclusion of definition of types of discrimination (i.e. direct, indirect, by association, by perception) and harassment and victimisation.
- 3.5 The feedback received has highlighted the importance of robust, ongoing training for managers to ensure employees and job applicants are supported at all stages of their engagement with ELC.
- 3.6 If approved by Cabinet, the updated policy will be communicated to all employees.

4 POLICY IMPLICATIONS

- 4.1 The revised policy outlines and reinforces the Council's commitment to equality, diversity and inclusion in employment and application of this policy will have a positive impact on all employees and job applicants. The scope and breadth of the policy is inclusive and recognises the diversity of all potential and current employees.
- 4.2 Managers must ensure that equality and inclusion is an overarching consideration in recruitment, in managing and supporting employees, and to that end, it is essential that managers undertake regular training in this area, whilst ensuring that the employees training is also prioritised.

5 INTEGRATED IMPACT ASSESSMENT

5.1 An Integrated Impact Assessment has been completed and published on the Council's website:

https://www.eastlothian.gov.uk/downloads/download/13965/integrated_impact_assessment_ia_-_equal_opportunities_in_employment_policy

6 RESOURCE IMPLICATIONS

6.1 Financial – There will be no significant costs to the Council.

6.2 Human Resources – Ongoing employee, management and Trade Union communications and signposting via MyHR regarding mandatory and essential training, along with delivery of bespoke training as required. Ensuring that managers undertake the Council's Recruitment and Selection training and refresh.

6.3 Other – n/a currently.

7 BACKGROUND PAPERS

7.1 Appendix A – Draft Equal Employment Opportunities Policy

7.2 Appendix B - Summary Consultation Feedback

AUTHOR'S NAME	Zoe McFadzean Gail Scott
DESIGNATION	Team Manager, HR Operations HR Adviser
CONTACT INFO	01620 826772 01620 827717
DATE	6 January 2025



EQUAL EMPLOYMENT OPPORTUNITIES POLICY

This policy applies to all Employees.

Date Approved: January 2025

This is an East Lothian Council Policy which has been subject to consultation with the Joint Trades Unions. Any review of amendment by the council will be following consultation with the Trades Unions.

Policy Title	EQUAL EMPLOYMENT OPPORTUNITIES POLICY
Policy Section	HR Policies
Prepared By /Policy Author	Human Resources
Version Number	V 1.0
Equality Impact Assessment	December 2024
Links to other Council Policies/ processes	Recruitment & Selection Policy Equal Opportunities Statement Prevention of Bullying & Harassment at Work Policy Disciplinary Procedures Grievance Policy Family & Maternity Leave Policy Managing Attendance Policy
Approved By	
Date Approved	
Review Date	December 2024
Date of next Review	This policy will be reviewed as necessary including, but not limited to, changes to legislation; agreement of new national terms and conditions of service or government policy, organisational change or changes agreed through trade union consultation.
Policy Lead	Team Manager, HR Operations

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1. Introduction

- 1.1 Here at East Lothian Council, we value and foster an open and inclusive working culture where everyone feels comfortable to be themselves. We focus on supporting an inclusive and collaborative work environment where we respect and value our differences.
- 1.2 The council works to eliminate discrimination, promote equality of opportunity, and foster good relations between all employees at work by raising awareness, and delivering regular equality, diversity, and inclusion training for all employees.
- 1.3 The council recognises that people from diverse backgrounds and experiences bring a range of talents, skills, knowledge, and perspectives and welcome those qualities and attributes within our workforce.
- 1.4 Central to the council's policy is the prevention of discrimination, victimisation, and harassment against employees on any grounds, particularly in relation to, the following **protected characteristics**, as outlined within the Equality Act 2010 (also see Appendix 1 for definitions):
 - Age
 - Disability
 - sex
 - gender reassignment
 - marriage and civil partnership
 - pregnancy and maternity
 - race
 - religion or belief, and
 - sexual orientation.
- 1.5 Additionally, to ensure the prevention of discrimination, victimisation, and harassment related to language, social origin, employment status, political belief, trade union membership or activity, or responsibility for dependants.

2. Purpose and Aims

- 2.1 The principal purpose of this policy is to confirm the council's commitment to equality of opportunity and the prevention of discrimination with the aim of creating a workplace policy framework around which strategies and action plans can be developed to:
 - Eliminate unlawful discrimination within employment.
 - Advance equality of opportunity.
 - Foster good relations between people of all equality groups.
 - Promote inclusion.

2.2 To achieve this, the council will:

- Strive to identify and remove barriers to employment and promotion opportunities.
- Develop appropriate measures to increase levels of representation of under-represented groups.
- Ensure compliance with the general and specific duties placed upon the authority by current and future equality legislation.
- Provide relevant workforce training, information, and raise awareness to ensure an inclusive and fair workplace.

3. Scope

3.1 This policy applies to all employees and workers, job applicants and former employees.

4. Definitions

4.1 Types of Discrimination includes:

- Direct discrimination: less favourable treatment directly because of a protected characteristic.
- Indirect discrimination: when everyone is treated the same but people with a protected characteristic are put at a disadvantage.
- Discrimination by association: unfair treatment because either someone they know or that they are associated with has a certain protected characteristic.
- Discrimination by perception: is unfair treatment because others believe they have a specific protected characteristic even if it is not true.
- Harassment: unwanted or offensive behaviour related to a protected characteristic.
- Victimisation: negative treatment because of being involved with a discrimination or harassment complaint.

4.2 There is no legal definition of 'putting someone at a disadvantage' (source Acas) however, it might include:

- Excluding someone from opportunities or benefits.
- Making it harder for someone to do their job.
- Causing someone emotional distress.
- Causing someone monetary loss.

Note: It can still be discrimination even if the less favourable treatment was not intended.

5. Implementation

- 5.1 Implementation of this policy will be supported through other council policies and procedures including, for example, the Prevention of Harassment at Work, Recruitment and Selection, Disciplinary and Grievance, Family & Maternity Leave and Managing Attendance policies.
- 5.2 The council's published information sets out arrangements for meeting the current specific duties of the Public Sector Equality Duty which require authorities to:
- Report progress on mainstreaming the general equality duty.
 - Publish equality outcomes and report progress.
 - Assess and review the equality impact on policies and practices.
 - Gather, use, and publish employee information.
 - Publish gender pay gap information.
 - Publish an equal pay statement.
 - Consider award criteria and contract conditions in relation to public procurement; and
 - Publish in a manner that is accessible.

6. Recruitment, Selection and Employment

- 6.1 The council's policy aims to ensure that:
- Everyone has equal access to jobs at every level of role and responsibility within the council.
 - Everyone has equal access to relevant training, career development and promotion opportunities.
 - All job applicants are treated fairly and with dignity and respect at every stage of their contact with the council during the recruitment, selection, and employment process and in relation to the terms and conditions of employment.
 - Reasonable adjustments will be put in place in line with the Equality Act 2010 and the council's Disability Confident status for disabled job applicants and employees.
 - Potential and current employees are made aware of support that they can apply for via Access to Work; a government employment support scheme that pays for adaptations to support employees who have a disability, or a physical or mental health condition to start or stay in work.
 - Employment policies are in place to ensure all employees are treated equally and fairly in all aspects of their work.

- All forms of discrimination are challenged, and reported, potentially leading to investigation under our disciplinary procedures.
- The council ensures equal pay for all employees, in line with the provisions of relevant local and national agreements and the associated codes of employment practice or legislation.

7. Roles And Responsibilities

7.1 Corporate Management Team and Heads of Service

The council's Corporate Management Team has overall responsibility for monitoring the implementation of this policy, in relation to both service delivery and employment throughout the council. Heads of Service are also responsible for ensuring that the policy is implemented within their own services in line with equality action plans and strategies.

7.2 Managers

Managers are responsible for undertaking ongoing personal equality, diversity and inclusion training and development, communicating acceptable and inclusive work practices, raising awareness within their work areas, challenging unacceptable behaviour, and ensuring that concerns raised are taken seriously, responding positively and timeously to those concerns raised.

Managers will ensure that equality is a fundamental consideration as part of policy development, decision-making and delivery, employment, and staffing.

Managers are also responsible for considering the impact of what we do as an authority. They must undertake an integrated impact assessment on any new or revised policy, practice, or function and to ensure any identified changes and improvements are implemented.

Managers are also responsible for ensuring their employees undertake appropriate, regular training and development, including mandatory Equality, Diversity, and Inclusion learning modules.

7.3 Employees

Employees are responsible for undertaking ongoing personal equality, diversity and inclusion training and development as all employees have a responsibility to ensure inclusive workplaces by eliminating, calling out and reporting discrimination, advancing equality of opportunity, and fostering good relations at work.

Employees must advise management or Human Resources of any suspected or witnessed discriminatory acts, practices or behaviours for example racist taunts, stereotypical language or discrimination related to any of the 9 protected characteristics namely, age, gender reassignment, being married or in a civil partnership, being pregnant or on maternity leave, disability, race including colour, nationality, ethnic or national origin, religion or belief, sex, and sexual orientation.

Anyone experiencing discrimination at work should speak with their line manager in the first instance. Your HR Adviser or Trade Union representative can also provide confidential support.

It is important to note that any discriminatory acts or omissions by council employees will be viewed seriously and could result in corrective or disciplinary action being taken, which may action up to and including dismissal.

7.4 Trades Unions

The Trades Unions are committed to promoting equality in the workplace and can advise and support members on issues relating to discrimination, harassment, or victimisation.

East Lothian Council recognises the following Trades Unions; GMB, EIS, SSTA, Unison and Unite the Union.

7.5 Human Resources

Human Resources will support employees and managers in relation to any issues arising due to discrimination and harassment in line with the application of this policy.

8. Monitoring

- 8.1 Each service will undertake ongoing review of their policies, procedures, and work practices to ensure they promote equality and comply with legislative requirements.
- 8.2 The Head of Corporate Support (Council Resources) will ensure that the Corporate Management Team are updated regularly with the results of ongoing monitoring and the completion of relevant Integrated Impact Assessments, which identify gaps and recommend proposals for improvement, as necessary.
- 8.3 In keeping with the legal requirement to publish employee equality monitoring information, data gathered will be shared with the Corporate Management Team as part of a progress report on mainstreaming equality.

8.4 Monitoring information including actions taken to implement the outcome of Integrated Impact Assessments will also be shared on the council's website and in other approved publications.

9. Complaints

9.1 The council will ensure that complaints relating to equality and alleged discriminatory employment practices are fully, and timeously investigated and appropriate action taken in line with relevant council policy.

9.2 Complaints raised by employees will be dealt with under the arrangements outlined within relevant HR policies, including Grievance, Prevention of Harassment at Work, Recruitment & Selection and in line with Equality Act 2010.

9.3 External parties can raise complaints via the Council's Complaints Procedure or where concerns relate to recruitment and selection, directly with the Human Resources Department.

10. Review

10.1 This Policy is a formal council policy and may be reviewed by the council, in consultation with the Trade Unions, at any time and in the light of operational requirements.

Head of Corporate Support

December 2024

GLOSSARY OF TERMS

For the purposes of this policy the Equality Act 2010 sets out protections on the grounds of specific characteristics (**source: Equality Human Rights Commission** [Protected characteristics | EHRC \(equalityhumanrights.com\)](https://www.equalityhumanrights.com)) These are:

Age

A person belonging to a particular age (for example 32-year-olds) or range of ages (for example 18- to 30-year-olds). There are some circumstances when being treated differently due to age is lawful. See [Age discrimination | EHRC \(equalityhumanrights.com\)](https://www.equalityhumanrights.com)

Disability

A person has a disability if they have a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities. See [Disability discrimination | EHRC \(equalityhumanrights.com\)](https://www.equalityhumanrights.com)

Gender Reassignment

Where a person undergoes, or proposes to undergo, a process for the purpose of reassigning their sex. See [Gender reassignment discrimination | EHRC \(equalityhumanrights.com\)](https://www.equalityhumanrights.com)

Marriage and civil partnership

Marriage is a union between a man and a woman or between a same-sex couple. Same-sex couples can also have their relationships legally recognised as 'civil partnerships'. Civil partners must not be treated less favourably than married couples (except where permitted by the Equality Act). See [Marriage and civil partnership discrimination | EHRC \(equalityhumanrights.com\)](https://www.equalityhumanrights.com)

Pregnancy and Maternity

Pregnancy is the condition of being pregnant or expecting a baby. Maternity refers to the period after the birth or placement of child and is linked to maternity leave in the employment context. In the non-work context, protection against maternity discrimination is for 26 weeks after giving birth, and this includes treating a woman unfavourably because she is breastfeeding. See [Pregnancy and maternity discrimination | EHRC \(equalityhumanrights.com\)](https://www.equalityhumanrights.com)

Race

A race is a group of people defined by their colour, nationality (including citizenship) ethnicity or national origins. A racial group can be made up of more than one distinct racial group, such as Black British. See [Race discrimination | EHRC \(equalityhumanrights.com\)](https://www.equalityhumanrights.com)

Religion or Belief

Religion refers to any religion, including a lack of religion. Belief refers to any religious or philosophical belief and includes a lack of belief. Generally, a belief

should affect your life choices or the way you live for it to be included in the definition. See [Religion or belief discrimination | EHRC \(equalityhumanrights.com\)](#).

Sex A man or a woman. See [Sex discrimination | EHRC \(equalityhumanrights.com\)](#)

Sexual Orientation

Whether a person's sexual attraction is towards their own sex, a different sex or to both sexes. See [Sexual orientation discrimination | EHRC \(equalityhumanrights.com\)](#)

Other Definitions

Language

This covers community languages including British Sign Language, in service provision. In employment, all reasonable efforts will be made to accommodate other language requirements.

Employment Status

This includes people who have worked or work part time or full time, people who have been or currently are unemployed and people who have followed non-traditional employment patterns.

Political Belief

Political views, ideals, activities, or background. Where a post is politically restricted in terms of the Local Government and Housing Act 1989 and the Local Government Officers (Political Restrictions) Regulations 1990, restrictions will apply to the political activities of post holders.

Trade union membership or activity

Trade union membership or non-membership. Participation in legitimate Trade Union activities.

Responsibility for dependants

This covers people with responsibility for an adult or child who is dependent on them for their day-to-day care.

Further Information

Equality Act 2010 Guidance [Equality Act 2010: guidance - GOV.UK \(www.gov.uk\)](#)

Equality and Human Rights Commission [Homepage | EHRC \(equalityhumanrights.com\)](#)

Equality & Rights Scotland [Equality and rights - gov.scot \(www.gov.scot\)](#)

Discrimination & The Equality Act (Acas) [Discrimination and the Equality Act 2010 - Discrimination at work - Acas](#)

Equal Employment Opportunities Policy Formal Consultation Feedback Summary

The formal consultation asked respondents to read the policy and respond to the following questions:

Q1. *Is the policy clear and easy to understand?*

A1. Yes x 119; No x 3.

Q1a. *If not, what could be added or clarified to make the policy clearer?*

A1. With less than 5 responses, themes included concern that managers would not actively apply the policy, that the policy could be open to interpretation, employee's fear of disclosing disability in case of being disadvantaged and more detail requested on how people are accommodated within the policy.

Q2. *Are there any gaps or omissions within the policy or any additional information you would like to see included?*

A2. No x 101; Yes x 20; no response x 1.

Q2a. *If yes, please provide details.*

A2a. A variety of feedback and requests provided covering Management and Reporting, Conditions, Definitions & Clarifications, Carer Responsibilities and Recruitment & Selection.

Q3. *Is there any information/content in the policy which you feel is unhelpful and/or unnecessary? If yes, please provide details.*

A3. No x 118 and Yes x 4 (however, no further detail provided).

Q4. *Please add any further feedback you have on the Equal Employment Opportunities policy in the comments box below.*

A4. There were 21 feedback comments with summary themes that included:

- Policy positively received, with employees appreciative of commitments made.
- Concerns raised regarding the role and support of managers with views that managers may not actively apply the commitments within the policy due to inexperience in dealing with equality matters and/or due to work priorities/pressures.
- Positive feedback in retaining sex as a protected characteristic rather than conflation with other gender identities; conversely, feedback also received to challenge definition of sex being only male/female.

- Fear of disclosing disability in case job offers be withdrawn and a request that the council makes clear that successful disabled applicants will be supported.
- The perceived need that all managers should receive in-depth training to enforce this policy and actively apply the spirit of the policy.
- Positive feedback regarding the introduction of the mandatory Equality, Diversity, and Inclusion, Learnpro module and management commitment to ensuring it is undertaken by all employees annually.
- Interest shown in the publication of the gender pay gap within ELC.
- Concerns that equality of opportunity in employment will not happen due to perceptions that council jobs advertised externally are earmarked for current council employees, which is thought unfair on external candidates.

REPORT TO: Cabinet

MEETING DATE: 21 January 2025

BY: Executive Director for Place

SUBJECT: Various Roads – East Lothian, Introduction and Amendments to Traffic Regulation Orders and an Experimental Traffic Regulation Order 2025

7

1 PURPOSE

- 1.1 To seek Cabinet approval to start the statutory procedures necessary to introduce and amend various Traffic Regulation Orders as set out in the proposals listed in Appendix A, B, C and D, vehicular traffic and Experimental Traffic Regulation Order (ETRO).

2 RECOMMENDATIONS

- 2.1 To seek Cabinet approval to start the statutory procedures necessary:
- 2.1.1 to make and amend Traffic Regulation Orders to prohibit waiting, loading and unloading, introduce new speed limits, and one way restrictions, as set out in the proposals listed in the appendices.
- 2.1.2 to make and amend an Experimental Traffic Regulation Order (ETRO) as set out in Appendix D, which may be made permanent in due course under a subsequent Traffic Regulation Order.
- 2.1.3 In the event that there are no outstanding objections at the end of the period the ETRO was in place (between 6 to 18 months), to delegate to the Head of infrastructure to:
- (i) make the ETRO permanent by means of a subsequent Traffic Regulation Order; or
 - (ii) revert to the original situation prior to the ETRO,
- which shall be communicated in a Members' Library report.

3 BACKGROUND

- 3.1 East Lothian Council as Local Traffic Authority is responsible for the making or amending of Traffic Regulation Orders as necessary: to avert danger to road users; to aid free unrestricted movement on the road; to prevent unsuitable use of the road and/or adjoining property; and to improve the amenity of the area.
- 3.2 With regards to item 2.1.1, these Traffic Regulation Orders are namely under sections 1 and/or 81 to 84 of the Road Traffic Regulation Act 1984 and the process to make, amend and vary a Traffic Regulation Order are under the Local Authorities' Traffic Orders (Procedure) (Scotland) Regulations 1999.
- 3.3 With regards to item 2.1.2, ETROs are made under section 9 of the Road Traffic Regulation Act 1984 and the process is also set out in the Local Authorities' Traffic Orders (Procedure) (Scotland) Regulations 1999.
- 3.4 The process under the Local Authorities' Traffic Orders (Procedure) (Scotland) Regulations 1999 requires key provisions including: consultation with statutory consultees, such as Police Scotland; publishing the proposals and allowing the public to file any objections within 21 days; requirements for a local authority to consider objections and then make the Order.
- 3.5 The Local Authorities' Traffic Orders (Procedure) (Scotland) Regulations 1999 allows for a streamlined process for ETROs, whereby the objection period for the subsequent Traffic Regulation Order is 6 months from either (1) the date the ETRO was put in place; or (2) if there are any substantial modifications to the ETRO, 6 months from the date of the modification. There is no need for an additional objection period just before the subsequent Traffic Regulation Order is put in place. The objection period runs alongside the ETRO being live on the ground.
- 3.6 With regards to the ETRO, Cabinet is asked to support the implementation of the statutory procedures in accordance with relevant legislation in respect of locations and proposals listed in Appendix D. The background to this is set out in paragraphs 3.7–3.9 of the North Berwick High Street: Safety and Access (report to Council on 25 April 2023, available at: [Agendas, reports and minutes | East Lothian Council](#)).
- 3.7 Following the successful introduction of decriminalised parking enforcement and the consolidation of Traffic Regulation Orders, an ongoing review of restrictions has highlighted several areas that require amendment / introduction (**Appendix A**).
- 3.8 Sustrans, in partnership with ELC, are providing a safer and more attractive route for cyclists and pedestrians travelling to and from the east side of Haddington via Brae Heads Loan, using the existing NCN 76 cycle route. An 18-month experimental 40mph speed limit was introduced on 11

December 2023 and lapses in 6 months. It is recommended that the reduced speed limit be made permanent (**Appendix B**).

- 3.9 In association with a new housing development at Letham, Haddington there is a Planning requirement to reduce the existing 40mph speed limit on the A6093 to 30mph (**Appendix B**).
- 3.10 A 30mph speed limit was introduced on the B6363 for a new housing development in Longniddry. In keeping with other reduced speed limits there has been a request to introduce a 40mph buffer to gradually decrease approach speeds (**Appendix B**).
- 3.11 In association with Planning ref. 17/00020/PPM, no development shall commence unless and until the existing 30mph speed limit on the A1087 Bowmont Terrace, Dunbar has been extended southwards to include along the entire length of the site frontage (**Appendix B**).
- 3.12 In association with a new housing development at west side of Macmerry there is a request to extend the existing 30mph speed limit to include the entire length of the site frontage (**Appendix B**).
- 3.13 Under COVID-19, public safety, a Temporary Traffic Regulation Order was made to make Market Place, North Berwick one way. There is a requirement to make that temporary Order permanent (**Appendix C**).
- 3.14 On 25 April 2023, Council approval was sought to make a traffic regulation order at part of the High Street, North Berwick to prohibit parking from the junction at Quality Street to the junction at Market Place. The reasoning around this is presented in the "Background" section of the Council report with safety being a primary concern (paragraph 3.7 of the said Council report of 2023). An order would allow the Council to do the works as set out in item 3.17 of that report. These were assessed against criteria which included safety, accessibility, socio-economic, deliverability and maintainability, as set out in report referenced in Section 7.1 below.

The results indicated that the option for a 3.7m-wide road with 60mm kerbs and dedicated areas for loading/unloading and for drop-off/pick-up for blue badge holders represented the greatest overall improvement when scored against a range of objectives and it is recommended that this option is taken forward.

- 3.15 After careful consideration and advice from our legal team, it has been considered that the most appropriate way of implementing this is by an Experimental Traffic Regulation Order (ETRO) as opposed to a Traffic Regulation Order. ETROs are put in place under section 9 of the Road Traffic Regulation Act 1984 for the purposes of "carrying out an experimental scheme of traffic control" (wording from section 9). This will allow the Council an opportunity to monitor the proposals in practice. This will also allow for public feedback and engagement as they experience the measures on the ground. The Council will consider the feedback as it receives it.

3.16 The ETRO and the subsequent Traffic Regulation Order are separate Orders. The contents are similar, but the subsequent Traffic Regulation Order is permanent, where as an ETRO can only be in place for a maximum period of 18 months, with an option to make the proposals permanent in a subsequent Traffic Regulation Order (**Appendix D**).

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 – All costs involved in connection with consultation, advertising, design and implementation associated with the making of these Orders can be accommodated within the Roads revenue budget.

6.2 Personnel – None

6.3 Other – None

7 BACKGROUND PAPERS

7.1 Report to Council, 25th of April 2023, North Berwick High Street: Safety and Access ([Agendas, reports and minutes | East Lothian Council](#))

AUTHOR'S NAME	Ian King
DESIGNATION	Roads Asset and Regulatory Manager
CONTACT INFO	Grant Talac or Keith Scott
DATE	December 2024

Appendix A		
The Amendments of the Prohibition and Restriction waiting, loading and unloading at Various Streets, Traffic Regulation Orders		
No.	Location	Description
1	Merryfield Avenue at Main Road, Macmerry	Introduce waiting restrictions to control indiscriminate parking close to the junction
2	Edinburgh Road at Boatyard junction, Cockenzie	Introduce waiting restrictions to control indiscriminate parking close to the junction
3	School Road, East Linton	Amend existing School am / pm restrictions in turning head to keep clear at all times
4	Clayknowes Road jcn Clayknowes Drive, Musselburgh	Introduce waiting restrictions to control indiscriminate parking close to the junction due to shoppers parking for adjacent Co-op
5	B1348 Coast Road between Dean Road and Seton Sands, Port Seton	Temporary Double yellow lines were applied which should now be made permanent
6	Industrial Estate Access Road, Wallyford	Introduce waiting restrictions to maintain free flow of traffic
7	Albert Place opp Albert Close, Wallyford	Introduce waiting restrictions to control indiscriminate parking close to the junction
8	A6093 / The Green / Old Smiddy Junction	Introduce waiting restrictions to control indiscriminate parking close to the junction
9	Masons Way	Upgrade existing no waiting restrictions to no waiting and stopping to stop indiscriminate parking on the new bus route
10	Hallhill Campus Access Road & Hallhill Car Park	Formalise waiting restrictions within TTRO to control indiscriminate parking adjacent to sports pitches and bus areas within car park
11	Sandersons Wynd	Upgrade existing no waiting restrictions to no waiting and

		stopping to stop indiscriminate parking around school campus
12	New QMU / A1 Underpass	Formalise waiting restrictions within TTRO to control indiscriminate parking by students at the new A1 junction
13	Muirfield Drive / College Way, Gullane	Introduce waiting restrictions to control indiscriminate parking close to the junction
14	Hamilton Rd / Hamilton Court, North Berwick	Introduce waiting restrictions to control indiscriminate parking close to the junction
15	Hawthornbank Rd, Haddington	Introduce waiting restrictions on one side of road to control parking and keep bus route clear
16	B1361 / Pithead Heights / Moodie Wynd, Prestonpans	Introduce waiting restrictions to control indiscriminate parking close to the junction from residents and new cemetery overspill
17	Edinburgh Rd /Polson Grdns Tranent	Introduce waiting restrictions to control indiscriminate parking close to the junction

Appendix B

Speed Limits

No.	location	Description
1	Brae Heads Loan to Haddington	Make experimental 40mph speed limit permanent
2	A6093 Letham, Haddington	Reduce existing 40mph speed limit to 30mph
3	B6363 Coal Road, Longniddry	Introduce 40mph buffer speed limit in advance of existing 30mph speed limit for north bound traffic

4	A1087 Bowmont Terrace, Dunbar	Extend existing 30mph speed limit to include the frontage of a new housing development
5	A199 west side of Macmerry	Extend existing 30mph speed limit to include the frontage of a new housing development

Appendix C		
One Way		
No.	location	Description
1	Market Place, North Berwick	Make temporary one way restriction permanent

Appendix D		
Prohibition of Parking		
No.	location	Description
1	High Street, North Berwick	Prohibition of parking from junction with Quality Street to junction with Market Place