



MINUTES OF THE MEETING OF THE CABINET

TUESDAY 21 JANUARY 2025
VIA DIGITAL MEETING FACILITY

Cabinet Members Present:

Councillor S Akhtar	Councillor F Dugdale
Councillor A Forrest	Councillor N Hampshire (Convener)
Councillor C McGinn	Councillor J McMillan

Other Councillors Present:

Councillor Jardine	Councillor McGuire
Councillor McIntosh	Councillor McLeod
Councillor Menzies	Councillor 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 E Dunnet, Head of Finance
Mr D Hood, Head of Operations, East Lothian Health & Social Care Partnership
Ms N McDowell, Head of Education
Ms W McGuire, Head of Housing
Mr T Reid, Head of Infrastructure
Ms C Rodgers, Head of Communities & Partnerships
Ms L Byrne, Head of Children's Services
Mr C Grilli, Service Manager – Governance
Mr S Cooper, Service Manager - Communications
Mr A Stubbs, Service Manager - Roads
Mr I King, Team Manager – Asset & Regulatory
Ms Z McFadzean, Team Manager HR Operations
Ms G Scott, HR Adviser

Clerk:

Ms F Currie
Ms E Barclay (Meeting Administrator)

Apologies:

None

Declarations of Interest:

None

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, 12 NOVEMBER 2024

The minutes of the meeting of the Cabinet on 12 November 2024 were approved.

2. BUDGET DEVELOPMENT UPDATE

A report was submitted by the Executive Director for Council Resources providing an update on the provisional local government finance settlement and implications on budget development for 2025/26 onwards.

The Head of Finance, Ellie Dunnet, presented the report informing members that based on the draft finance settlement information, the Council was expected to see an uplift next year of around £6.7M. However, there were still a number of unknowns including the costs of meeting policy change and other commitments, such as the increase in employer National Insurance Contributions (NICs). She advised that based on the current budget model, including the funding uplift and a proposed 10% increase in council tax, the updated projection was a balanced budget for 2025/26, without the need for further action. However, this was not without risk and the position beyond next year remained extremely challenging. She said it was important that the work to close the budget gaps from 2026/27 onwards continued to progress.

Ms Dunnet drew Members' attention to the draft general services capital programme set out in appendix 2, which included a new 5-year net borrowing requirement of £128.8M. She pointed out that, in the context of existing borrowing levels, this represented a significant borrowing risk and work was ongoing to identify priority investments to take forward. She then highlighted the draft HRA budget set out at appendix 3 which reflected a 7% rent increase, that tenants had been consulted on. The Council also continued to face significant uncertainty around funding to support affordable housing, along with growing pressure from debt financing costs. Ms Dunnet stressed that the draft summaries in the report and appendices remained provisional and that there was a high likelihood of changes being made to these documents before they were considered at the Council's budget meeting on 18 February. She also invited Members to note the next steps for budget development work in advance of that meeting.

Ms Dunnet responded to a question from Councillor Akhtar on the impact of population growth and rising demand for adult social care services. She confirmed that as part of the budget reporting officers had continued to highlight that East Lothian Council was one of the fastest growing councils in Scotland, and how this had impacted on the cost of continuing to deliver services and infrastructure for a growing population, as well as the significant pressure placed on demand-led services. She highlighted that this growth had not been met by a similar growth in council tax charges and that, currently, council tax income only covered around a quarter of the costs in these areas.

The Head of Operations for the Health & Social Care Partnership, David Hood, acknowledged that the increased demand for social care services, the rising financial pressures and statutory requirements meant that the situation was becoming increasingly difficult. The impact of significant population growth had translated into financial overspends and the need for

mitigating actions which meant it was becoming more and more challenging to deliver safe and effective services for the residents of East Lothian.

Councillor Jardine asked about the impact of the increase in employer NICs for third sector organisation who delivered care services and how some of this burden might be met. Mr Hood said that in context of the IJB's budget for health & social care services, 70% of its expenditure was on commissioned services including both care at home and care home services. Going forward there was a financial risk from the impact of increased employer NICs, and he confirmed that conversations were already taking place partner organisations. Ms Dunnet added that, while it was hard to provide a precise estimate of the additional costs associated with the additional NICs, it was expected to be in the region of £1-2M. Her report also highlighted that there remained a degree of uncertainty about the funding councils might receive to cover those additional cost pressures.

Councillor McMillan welcomed the report and commended the discussion and scrutiny which had already formed part of the budget preparations. He said that the budget which Members put forward would affect the Council's priorities and this was a something which they took very seriously. He believed that his colleagues shared a common desire to work together to achieve the best outcome for the people of East Lothian despite the continuing challenges of population growth and funding issues.

Councillor Akhtar said it was important to continue stressing the impact of population growth on the demand and provision of services. She spoke of the significant increase in demand for adult social care services and that the current overspend in budgets reflected the challenges in meeting that demand. She reported that recent feedback from health and social care staff had made clear their view that they could not continue to deliver services safely within current budgets. She emphasised the need to ensure that these services received the right level of resource to meet demand going forward. She added, that as instructed by the East Lothian Integration Joint Board, she would continue to take every opportunity to highlight the challenges around population growth and their impact on budget decisions.

Councillor Dugdale commended the report and drew attention to the significant increase in demand for children's services which illustrated the challenge facing the Council to meet the needs of children, families and communities. She welcomed the investment in children's services within the budget priorities but noted that without sufficient continuing investment they would see further detrimental impact and human costs in the future.

Councillor Forrest welcomed the report and took the opportunity to thank officers in the housing service for their help with the draft budget and for their work, alongside ELTRP, in getting information out to tenants and ensuring that tenants' views were considered.

The Convener also welcomed the report and the settlement from the Scottish Government for 2025/26. The increase in funding which was not ringfenced would help to address some of the issues the Council was facing. He acknowledged the need for additional resources in both adult social care and children's services to meet growing demand. However, he pointed out that it would take a long time for these and other services to recover from years of continued reductions as a result of austerity budgets. Although the position for the coming financial year was positive, in the following year there was an expected deficit of £11M which would require further difficult decisions. In the meantime, he looked forward to cross party discussions and agreement on a budget for the coming year that would deliver for the people of East Lothian.

Decision

The Cabinet agreed to:

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

3. FINANCIAL MANAGEMENT CODE

A report was submitted by the Executive Director for Council Resources inviting Cabinet 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.

Ms Dunnet presented the report outlining the purpose and background. She informed Members that the Council's compliance with the principles of the Code was reported to the Audit & Governance Committee. However, a recent Internal Audit review of financial sustainability had highlighted that the Council had not yet formally adopted the principles of Code. She concluded that, as these principles were designed to support good practice and financial sustainability, it was considered appropriate to do so.

Ms Dunnet responded to questions from Councillors Akhtar and, McGinn. She agreed that there were a number of external factors that made financial management difficult for councils, including the uncertainty around single year settlements. It was hoped that next year might see a change in this arrangement. In light of the continuing challenges and uncertainty around funding, it was important that the Council was able to demonstrate that its finances were well managed and that any financial challenges were not as result of poor financial management. She said that adopting the principles of the Code and demonstrating compliance would allow the Council to provide that reassurance. She also agreed that not having longer-term certainty of funding was very difficult for third sector partners. As the Code itself was a high-level, principles-based document it did not contain any specific guidance on this issue. In relation to the national settlement, she did not think that the Council was any different to other local authorities in the need to manage these challenges.

In reply to a further question from Councillor Jardine on local development planning, Ms Dunnet advised that there was a 5-year financial strategy in place that was reviewed annually and the aim was to set a 5 year budget, although, beyond year one, this was based on funding projections. In relation to the Local Development Plan (LDP), she said that forward projections did factor in estimates of resources required to service future growth and demand for services.

The Executive Director for Council Resources, Sarah Fortune, added that as part of the draft evidence reporting for the LDP the Council had continued to highlight the very real implications of continuing population growth, both the opportunities and the challenges. These challenges were also being discussed on a regional basis and at UK and Scottish Government level. She said that considering how best to deliver on these obligations while mitigating the impacts on local communities was being considered as part of the LDP process, and it was clear that the Council could not continue to absorb the cost of future growth.

Councillor McMillan welcomed paper and talked of his previous experience of working with CiPFA and the application of the objectives and principles contained in the Code. He

highlighted the professionalism of officers and the work of the scrutiny committees, and internal and external auditors to ensure Council's compliance with these principles. He believed that the Code aligned with the Council's values of enabling, leading and caring and demonstrated the professionalism and principles of governance with which council officers worked on a daily basis.

Councillor Forrest also welcomed the report and thanked the staff in the finance team for their efforts. He said that the report highlighted the standards and pressure placed on staff to ensure that they were adhering to the principles of the Code.

The Chair concurred with his colleagues' remarks. He noted that the Code was centred around the principles of good financial management, and he was confident that officers were operating in line with those principles.

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. Note the purpose and principles of the Financial Management Code, as detailed in the report.
- ii. Note the conclusion that overall, the Council remained compliant with the 7 principles of the Code.
- iii. Formally adopt the principles of CIPFA's Financial Management Code.

4. CHANGES TO COUNCIL TAX EMPTY PROPERTY RELIEF POLICY

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

Ms Dunnet presented the report setting out the proposed changes to the policy and reminded Members of the circumstances where this policy would not apply. She advised that the purpose of the policy was to encourage owners to bring their empty properties back into use and to discourage properties from being left empty for long periods of time. Any additional council tax income raised from this policy would be earmarked to support this objective.

The Head of Housing, Wendy McGuire, responded to a question from Councillor Jardine. Ms McGuire reported that very few empty properties had been taken back over the last year. She said that previously, as part of a government incentive, the Council had employed an empty homes officer but that this was no longer the case. She advised that properties could be empty for a number of reasons and owners were not always keen to utilise incentives. However, in light of the recent declaration of a housing emergency, officers had been looking to accelerate this work and to engage with owners. She conceded that there could possibly be scope to reinstate the empty homes officer role as the Council would have to explore all options available.

Ms Dunnet replied for questions from Councillor Akhtar and the Convener. She confirmed that where a person's relative died and had not left their property in their will, the policy would only take effect at the point when ownership of the property transferred to their beneficiary. In the event that council tax was owed, the Council could make a claim on the estate of the deceased before transfer of ownership. She also confirmed that where an individual was to enter long-

term care, and there were no other occupants of the property, the council tax exemption would apply for as long as the property owner was eligible. She advised that, if approved, the changes to the policy would take effect from 1 April and property owners would receive advance warning in writing.

The Convener stated that the purpose of this policy was to try to get empty properties back into use, as there were too many properties lying empty when people were desperate for homes. He said that the changes would ensure that as many properties as possible were brought back into use as quickly as possible.

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

5. IMPACT OF AUSTERITY

A report was submitted by the Executive Director for Council Resources, following on from a motion presented to Council on 29 October 2024, setting out the potential measures that may be available to the Council to address the impact of continuing 'austerity' on the community.

Ms Fortune presented the report setting out the purpose and background. She acknowledged that the impacts of austerity had been wide ranging, and she provided examples of the interventions undertaken by the Council to support the most vulnerable households and mitigate these impacts. She said that the Council existed to support and provide services to local communities, but that austerity had also impacted many services. They were currently operating in the most complicated and challenging circumstances the Council had ever faced, with funding failing to keep pace with the demand aligned with a growing population. She reminded Members that while much relied on the level of the national funding settlement, it would be for Council to decide how best to manage its obligations, along with the associated risks to set a balanced budget for the year ahead.

Councillor Menzies asked if it would be possible to provide more detail on the impact on communities, e.g. numbers accessing the Scottish Welfare Fund, foodbanks and other supports, and the potential impact on communities if non-statutory services were removed. Ms Fortune agreed to provide further information in the form of a Members' Library report. She also acknowledged that these were ongoing issues that would have to be considered as part of the difficult budget decisions being faced by Members.

In response to a question from Councillor Jardine, Ms Fortune agreed that there was a very delicate balance to be struck between aligning the resources available to the Council to meet its statutory obligations and considering how to redirect any available funding to areas in need of additional support. She reiterated that it would be for councillors to set the priorities and then use any discretion available to them to allocate remaining resources. She accepted that their level of discretion and resources would be limited but suggested that supporting recurring investment in the Scottish Welfare Fund may be one area for consideration.

Councillor McMillan asked about the use of partnership structures and networks to deliver support and services. Ms Fortune agreed that the budget did not sit in isolation and needed not just to align with Council priorities but also to support continued partnership working. She felt that the Council was well versed in working in partnership from a strategic level to the delivery of services on the ground. However, she acknowledged that this continued to be a very challenging time with the costs and demands being placed upon the Council far outstripping the resources available. She agreed that there were always opportunities to do more and the Council should always strive to deliver the best it could for all residents.

Referring to earlier questions, Councillor Akhtar said it was important to highlight that a vast amount of the budget was spent on education, housing, employment and health and social care. There were a range of services supporting vulnerable people and many partners working in communities had already shared information about the impacts of austerity. She suggested that perhaps there needed to be more of a focus on highlighting the information already available and the work going on to tackle austerity and using all possible levers available.

Councillor Forrest said that council officers were good at working with partners and engaging with those working on ground. He said that, in his experience officers, were out in the community going above and beyond.

Councillor McGinn stressed the importance of working in partnership. He had worked with families for many years and he was unable to recall a time when things had been so difficult for families. He said that the Council must continue trying to make a difference and support the work of its partners. The decisions of previous governments over the past decade or so had clearly had an impact but he was certain that everyone present wanted to make things better and he hoped that the next decade would be so much better than the last.

Councillor Akhtar commended the comments and work of Councillor McGinn. She reflected on the paper and noted that this year had seen the largest funding settlement for Scotland. She emphasised the need to ensure that the Council used its share to get the most for its communities, while continuing to highlight the importance of fair funding for local services. She said that many residents were still struggling, and the Council must strive to improve the lives of families in its communities.

Councillor McMillan said that this issue was about setting goals to eradicate poverty, reducing the effects of austerity and the need for foodbanks. To achieve this there needed to be a focus on planning, on lobbying governments, on working in partnership and rallying resources to the areas of greatest need. He believed that there was a solid platform of work already there to build on but that they must remain mindful that there was always more that could be done. He urged his colleagues to be 'relentlessly dissatisfied with the status quo.'

The Convener thanked his colleagues for a useful debate. He said that austerity would remain for some time to come and that the decisions of the last decade had put a lot of pressure on local communities and families. He said that the Council would continue to do what it could to support people in their current circumstances and he hoped to see some improvement moving forward.

Decision

The Cabinet agreed to note the content of the report.

6. EQUAL EMPLOYMENT OPPORTUNITIES POLICY

A report was submitted by the Executive Director for Council Resources seeking approval of the Equal Employment Opportunities Policy, following full employee and Trade Union consultation and Corporate Management Team (CMT) endorsement.

The Team Manager HR Operations, Zoe McFadzean, presented the report outlining the purpose of the policy and its surrounding framework and strategies. She advised that the policy superseded a previous version, and she outlined some of the key changes. The policy had been through a consultation process, and this had resulted in further clarification of some aspects of the policy. She confirmed that there would be compulsory training for managers and that they would work with those harder to reach groups to ensure all staff get appropriate training.

Ms McFadzean responded to questions from Councillor Menzies and Councillor McMillan. She advised that CMT had confirmed that they wanted training to be mandatory and would work to ensure staff who were not office-based did not miss out on training. She said that this policy was not set in isolation, and it worked alongside other policies, such as the prevention of harassment policy and managing attendance policy. She confirmed that training would be online for those with access to a PC and other format would be delivered for those who were not office-based. She acknowledged that this was an area of fairly rapidly changing policy and that despite regular reviews it was sometimes difficult to keep up to date. However, this was a key policy for the Council, as well as being a key risk, and it would be prioritized for further reviews.

The Head of Corporate Support, Hayley Barnett, added that the HR team met on a monthly basis with TU colleagues to discuss all HR policies. She confirmed that formalising the review of the policy was being considered and would be discussed further with CMT colleagues. In the meantime, she assured Members that there were mechanisms in place to carry out reviews.

HR Adviser, Gail Scott, replied to questions from Councillor McIntosh. She confirmed that the Council had an equality plan; a strategic document which ensured that it met all of its equality duties. She advised that non-binary would be protected within the 9 protected characteristics set out in the Equalities Act but she acknowledged that this policy did not currently refer specifically to every element. She offered reassurance that while it was not explicit in policy, from a management and staff perspective, there was an awareness of the need to consider and support any employee regardless of status, gender or minority grouping. She also agreed that there was a need to develop work in these areas.

In response to a question from Councillor Akhtar, Ms Scott confirmed that there was an equality working group which involved HR, managers and TU representatives. It had an informal focus on bringing more aspects of equalities into common place discussions at work and in considering what more could be done to improve inclusivity in the workplace. She said that key pathways for promoting the benefits of policy and the arrangements for training were using the i-Trent system (MyHR) and *Inform*. They were also holding sessions with employees about impacts of behaving in discriminatory or non-inclusive ways in the workplace.

Councillor Akhtar commended the report. She said that the Council's biggest asset was its staff and that this policy would help and support staff to achieve their best. She said it was important to have a process which encouraged respect and dignity in the workplace adding that the benefits of this policy should be promoted as widely as possible. She also looked forward to further reviews and feedback.

Councillor McGinn welcomed the paper and agreed that the Council's best asset was its staff. He said he took it very seriously when staff were openly criticised on social media or in

communities when going about their day-to-day work. He said it was important to have a safe, diverse and inclusive workplace where the contributions of all employees were valued, and their views listened to. He also felt that this policy would enhance the workplace experience.

Councillor McMillan said that this policy was key to establishing a culture promoting all aspects of equalities. He welcomed the feedback in the paper, and he offered his thanks to staff in the HR team for their work to support veterans.

Ms McFadzean informed Members that the Council was seeking to recruit an HR adviser in equalities and diversity to support training and implementation of this policy.

The Convener welcomed the report and felt that the workforce would benefit from this policy. Referring to the arrangements for evaluating and monitoring the implementation of the policy, he asked that this feedback be shared with Members.

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

Decision

The Cabinet agreed unanimously, by roll call vote, to approve the Equal Employment Opportunities Policy.

7. VARIOUS ROADS – EAST LOTHIAN, INTRODUCTION AND AMENDMENTS TO TRAFFIC REGULATION ORDERS 2025

A report was submitted by the Executive Director for Place seeking 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 of the report, vehicular traffic and Experimental Traffic Regulation Order (ETRO).

The Service Manager – Roads, Alan Stubbs, presented the report outlining the purpose and background. He drew attention to the statutory procedures set out in report, the details of the proposals which were contained in the appendices and explained that while TROs were permanent, the ETRO would be in place for a period of 18 months. He advised that officers would consider feedback received during the implementation of the ETRO and would bring this back to Cabinet.

Mr Stubbs replied to a question from Councillor Forrest confirmed that any need for a refresh of lines or signage would be considered as part of the TRO process.

Councillor Menzies asked about specific issues on Masons Way and Sandersons Wynd. Mr Stubbs advised that they did have representation at drop off and pick up where people were parking indiscriminately. These restrictions would allow officers to control and enforce this and to reduce the risk to children and others. He added that the concerns raised often related to the actions of other carers and parents.

In response to a question from Councillor McMillan, Mr Stubbs confirmed that the Council had taken legal advice and were satisfied that an ETRO was the appropriate way to introduce these measures. It would allow the opportunity for feedback from the community and businesses and for adjusting the proposals, if necessary. A report could then be brought to Cabinet at a later date, and should Members be minded to make a permanent TRO a further period of consultation would take place.

Councillor McMillan welcomed the paper and the proposals on road safety and reduction in speed limits on some roads. He encouraged everyone to be aware of their behaviour when driving. He welcomed Mr Stubbs' comments regarding safety, access and parking in North Berwick and saw the proposed TROs and ETRO as a sign that the police and officers were acting on public concerns. He added that Councillor McFarlane had also received feedback from members of the community seeking action on these matters.

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

Decision

The Cabinet agreed unanimously, by roll call vote, to start the statutory procedures necessary:

- i. 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.
- ii. 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.
- iii. in the event that there were 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:
 - a) make the ETRO permanent by means of a subsequent Traffic Regulation Order; or
 - b) revert to the original situation prior to the ETRO,

which shall be communicated in a Members' Library report.

Signed

Councillor Norman Hampshire
Council Leader and Convener of Cabinet