



**MINUTES OF THE MEETING OF
THE CABINET**

**TUESDAY 8 MARCH 2011
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON**

Committee Members Present:

Councillor J Bell
Councillor R Currie
Councillor S Currie
Councillor R Knox
Councillor P MacKenzie
Councillor P McLennan (Convener)
Provost S Richardson
Councillor B Turner

Other Councillors Present:

Mr J Caldwell
Mr A Forrest
Mr J Gillies
Mr D Grant
Mr N Hampshire
Mr W Innes
Mrs M Libberton
Mr N Rankin

Council Officials Present:

Mr A McCrorie, Executive Director of Corporate Resources
Ms M Patterson, Executive Director of Community Services
Mr A Forsyth, Head of Community Housing & Property Management
Mr J Lamond, Head of Governance & Performance Management
Mr K MacConnachie, Head of Law & Licensing
Ms S Saunders, Head of HR
Mr T Shearer, Head of Community Wellbeing
Mr D Spilsbury, Head of Finance
Ms J Mackay, Media Manager
Mr D Russell, Corporate Communications & Democratic Services Manager
Ms R Spillane, Equalities Officer
Mr P Vestri, Corporate Policy Manager

Visitors:

None

Clerk:

Mrs L Gillingwater

Apologies:

Mr A J Blackie, Chief Executive

1. RETIRAL OF ALAN J BLACKIE, CHIEF EXECUTIVE

A report was submitted by the Chief Executive advising Cabinet of the resignation of Alan J Blackie, from the post of Chief Executive of East Lothian Council, by reason of age retiral, to take effect from a date to be mutually agreed between the Leader, Provost, Head of Human Resources and Mr Blackie, expected to be no sooner than 29 July 2011 and no later than 31 August 2011. The report also advised of the arrangements for the forthcoming recruitment campaign to secure a new Chief Executive/Head of Paid Service for East Lothian Council.

The Head of Human Resources spoke to the report, advising of the legal requirement for the Council to appoint a Head of Paid Service and noting that at East Lothian Council, this role was within the remit of the Chief Executive post. She informed Members that she had been instructed to commence the recruitment process to replace Mr Blackie, and she highlighted the indicative recruitment timetable, as outlined in Section 3.6 of the report.

Councillor McLennan paid tribute to the contribution made by Mr Blackie during his time as Director of Education & Children's Services and as Chief Executive. He advised that the membership of the cross-party Chief Officer Appointments Sub-Committee had now been confirmed.

Councillor Hampshire suggested that, in view of the current discussions regarding sharing services with Midlothian Council, the Council should delay appointing a new Chief Executive. Councillor McLennan advised that a report on the business case for a shared service as regards Education & Children's Services would be presented to Members in May 2011, prior to the appointment of a new Chief Executive, and therefore there was no need to delay the recruitment process. He added that Members felt it was necessary to replace Mr Blackie.

Decision

The Cabinet agreed to note the content of the report.

2. FAIRER EAST LOTHIAN FUND

A report was submitted by the Chief Executive outlining the purpose and priorities of the Fairer East Lothian Fund and seeking approval for the process for the allocation of the Fund in 2011/12, including transitional arrangements.

The Head of Governance & Performance Management spoke to the report, informing Members that since 2008 approximately £1.5m had been allocated to support around 25 projects aimed at tackling poverty in East Lothian, and that this work had been supported

through the work of the Single Outcome Agreement Tackling Poverty Theme Group. He advised that the report was seeking to establish a framework for the next phase of the Fairer East Lothian Fund and highlighted the four key outcomes, as identified by the Tackling Poverty Theme Group. He advised Members of the application/evaluation process, adding that recommendations for financial support would be reported back to Cabinet on 24 May 2011. He also drew attention to the proposal for a transitional fund and the arrangements for accessing this fund, noting that there would be a further report to Cabinet on 29 March 2011 as regards applications to the transitional fund.

In response to a question from Councillor Innes concerning the effectiveness of the projects funded to date, the Head of Governance & Performance Management advised that evaluation was an integral component of the process and that it had been carried out for each project and for the entire programme. The Equalities Officer added that a draft evaluation of the programme had already been prepared, which included the effective value of the Fairer East Lothian Fund, and the innovation and creativity of the projects. She noted that each project had submitted 6-monthly reports, and that the evaluation information would be published in May 2011. Councillor Innes suggested that the evaluation results should be scrutinised by Members prior to any additional funding being allocated.

Councillor R Currie welcomed the report and the decision of the Council to continue the funding of the Fairer East Lothian programme, which would safeguard projects across East Lothian.

Councillor MacKenzie highlighted the impact of poverty on children and their educational outcomes. He believed that the Fairer East Lothian Fund would have a positive effect as regards improving the life chances for children in poverty.

Decision

The Cabinet agreed:

- i. to note the purpose of the Fairer East Lothian Fund and the key outcomes for the Fund (as outlined at Sections 3.2 and 3.3 of the report);
- ii. to approve the process for allocating the Fund in 2011/12 (as outlined at Section 3.4 of the report); and
- iii. to approve the process outlined for transitional funding, as per Section 3.5 and 3.6 of the report).

3. ASSISTANCE TO FIRST-TIME BUYERS IN EAST Lothian

A report was submitted by the Executive Director of Corporate Resources asking Members to consider participating in a scheme to assist first-time buyers in East Lothian.

The Head of Finance spoke to the report, advising that the proposed scheme was linked to the Council's Housing Strategy and sought to address the problems facing first-time buyers in accessing the housing market. He explained that the inability of many first-time buyers to raise the required deposit had had a detrimental effect on the housing sector as a whole, and on the Council in its provision of affordable housing.

The Head of Finance outlined the terms of the scheme, informing Members that the Council would guarantee 20% of a mortgage. He confirmed that, having taken external legal advice, it was within the Council's powers to do this. He set out the risks involved, including individuals defaulting on their mortgage payments, and advised that the scheme could not be restricted to current residents of East Lothian. He proposed that a publicity campaign be undertaken to launch the scheme.

In response to a question from Councillor Knox as regards the approval of applications, the Head of Finance advised that the decisions regarding assessment of applications and sustainability of the mortgage would rest with the bank.

The Provost asked if there were any regulations as regards the return on the Council's investment in order to make available funds for future potential borrowers. The Head of Finance explained that, in principle, the Council's investment would apply for a five-year period, although in some circumstances, this could be extended to seven years.

The Head of Finance stipulated that this was not a shared ownership scheme and that the Council was not investing in individual properties.

Councillor S Currie announced that this scheme was the first of its kind in Scotland and thanked officers for their work in bringing it forward. He accepted that there were risks involved, but felt that it was important to assist first-time buyers seeking to access the housing market. His comments were echoed by Councillor MacKinnon and Councillor McLennan, who also spoke of the wider benefits of the scheme, including the impact on the construction industry.

Councillor Rankin voiced his concern that there may be opportunities for abuse of the scheme by people who were not first-time buyers. The Head of Finance indicated that the bank should take account of this when assessing individual applications.

Councillor Innes commended the Head of Finance for his report, and suggested that the Council should also consider entering into the private housing market as part of the Council's Housing Strategy.

Councillor Hampshire expressed concern that the scheme would not be restricted to current East Lothian residents. Councillor Knox remarked that the majority of people wishing to access the scheme were likely to have an East Lothian connection, but that the Council should also welcome people coming into East Lothian who would make a contribution to the local economy.

Councillor S Currie pointed out that the scheme would be monitored and regulated to minimise risk, and that regular progress reports would be presented to Cabinet and the Audit & Governance Committee.

Decision

The Cabinet agreed:

- i. to note the substantial progress on creating a scheme in partnership with the banking sector, and to note that a launch date was expected soon;

- ii. to approve the following local criteria that officers should seek to have incorporated into the final agreement:
 - a) all East Lothian postcodes should be included
 - b) the initial deposit and indemnity limit should be £1m
 - c) current Council and Registered Social Landlord (RSL) homes should be excluded from the scheme
- iii. to note that an approach to setting a maximum loan value is under development; and
- iv. to delegate the finalisation of the agreement to the Chief Executive, Executive Director of Community Services, Head of Law & Licensing and Head of Finance.

4. COMMUNITY HOUSING & PROPERTY MANAGEMENT EXTERNAL GRANT AWARDS 2011/12 AND FUTURE APPROACH

A report was submitted by the Executive Director of Community Services recommending External Grant Awards, as detailed in Appendix 1 to the report, and setting out proposals for the future approach to funding organisations.

Declaration of Interest: Councillor Bell declared an interest as the Council's representative to ELVON.

The Head of Community Housing & Property Management spoke to the report, advising of the work underway to manage grants more effectively. He pointed out that in the future a competitive procurement process would be used, where appropriate, which would ensure that the Council was receiving the best combination of cost and quality available, and also that the administrative process would be streamlined. He noted that, in accordance with the budget approved by the Council in February 2011, a 5% reduction in funding had been negotiated with all grant recipients.

With reference to the Care and Repair East Lothian grant, the Provost voiced her concern as to the reduction in funding, particularly in view of the Council's aims to support more elderly people in their own homes. She was advised that the grant to this organisation had been fixed for the past two years, and that the reduction in funding was not as significant as it would first appear.

Councillor S Currie pointed out that, although there was a 5% reduction in funding, over £575,000 was being awarded to organisations, and that the organisations involved were satisfied with the funding proposals.

Decision

The Cabinet agreed:

- i. to approve the External Grant Awards totalling £575,175, as detailed in Appendix 1 to the report, and to approve the future approach to funding services currently in receipt of grants, in line with the Council's Corporate Review; and

- ii. to note that the Executive Director of Community Services had approved the External Grant Awards and the future approach to funding organisations.

5. PROPOSED COMMUNITY CENTRE AT GEORGE STREET, ORMISTON

A report was submitted by the Executive Director of Community Services noting the decision to award the contract for the Proposed Community Centre at George Street, Ormiston to Messrs Mansell, Glasgow.

The Head of Community Housing & Property Management spoke to the report, outlining the facilities that would be incorporated in to the new Community Centre.

Councillor R Currie welcomed the report, advising that members of the community, including young people, had been consulted on the plans.

Councillor Gillies also welcomed the report, but expressed his disappointment that an opportunity to incorporate facilities for bowlers had been missed. He was advised by Councillor McLennan that a facility for bowlers had been considered, but that there had been legal issues that could not be resolved.

Councillor Innes voiced his frustration that the tender had not been awarded to a local construction company, remarking that the environmental impact of the construction workers travelling from Glasgow on a daily basis should have been taken into account. He referred to the Council's new Procurement Strategy and commented that the social and environmental benefits of awarding the contract to a local company should have been considered.

The Head of Community Housing & Property Management confirmed that the contract had been advertised in accordance with the Council's procurement procedures and that Messrs Mansell had submitted the lowest tender and had therefore been awarded the contract.

The Head of Finance explained that the basis for awarding contracts was either the lowest price or the most economically advantageous price. He advised that the new procurement procedures provided greater flexibility but that the Council still had to comply with regulations. He noted that other factors could be considered in the awarding of contracts, but that it would take some time to introduce the new criteria.

Councillor Innes argued that in past years the Council had awarded contracts to companies that the Council had felt offered the best value to East Lothian, but who had not submitted the lowest price. The Head of Finance confirmed that such contracts had been awarded in accordance with the most economically advantageous tender procedure, and stated that the weighting given to price versus other factors had to be considered.

Decision

The Cabinet agreed:

- i. to note the decision of the Executive Director of Community Services (per the Head of Community Housing & Property Management) as appointed representative under Standing Order 50(ii) and delegation Appendix 2a (Tenders) thereto and after consultation with the Provost and the Head of Finance to accept Messrs Mansell's

revised tender amounting to £899,663.60 after checking, correction and negotiated savings and noting that it was open for consideration until 30 January 2011 for the Proposed Community Centre at George Street, Ormiston; and

- ii. to note that the Executive Director of Community Services had approved the award of this contract.

6. PROPOSED ELECTRICAL REFURBISHMENT AT LOCH CENTRE, TRANENT

A report was submitted by the Executive Director of Community Services noting the decision to award the contract for the Proposed Electrical Refurbishment at Loch Centre, Tranent to Messrs John G Mackintosh, Loanhead.

The Head of Community Housing & Property Management spoke to the report, advising that following a fire in the Loch Centre in 2010, a full electrical safety inspection had been carried out, the result of which was that a full electrical re-wire was required.

Councillor S Currie informed Members that a full upgrade of gymnasium facilities would also be carried out during the period of the electrical works.

Decision

The Cabinet agreed:

- i. to note the decision of the Executive Director of Community Services (per the Head of Community Housing & Property Management) as appointed representative under Standing Order 50(ii) and delegation Appendix 2a (Tenders) thereto and after consultation with the Provost and the Head of Finance to accept Messrs John G Mackintosh's tender amounting to £154,277.58 after checking for the Proposed Electrical Refurbishment at Loch Centre, Tranent noting that it was open for consideration until 6 March 2011; and
- ii. to note that the Executive Director of Community Services had approved the award of this contract.

Sederunt: Councillor Libberton left the meeting.

7. PROPOSED MAIN HALL AND BAR IMPROVEMENTS AT BRUNTON HALL, MUSSELBURGH

A report was submitted by the Executive Director of Community Services noting the decision to award the contract for the Proposed Main Hall and Bar Improvements at Brunton Hall, Musselburgh to Messrs AKP Scotland, East Kilbride.

Declaration of Interest: Councillor Knox declared an interest as a Trustee of the Brunton Theatre Trust.

The Head of Community Housing & Property Management spoke to the report, advising Members of the facilities that would be available in the Brunton Hall on completion of the works. It was noted that the theatre, restaurant, customer service desk and Council offices would be open as normal during the work.

Councillor Turner asked what assurances could be given as regards the works being completed within the specified timescale. The Head of Community Housing & Property Management advised that progress would be monitored on a monthly basis. He also confirmed that there was no untreated asbestos in the Brunton Hall.

Councillor Caldwell welcomed the report, but expressed his disappointment that the interests of bowlers had not been taken into account. He was advised by the Head of Community Wellbeing that under Construction Design and Management regulations, the bowlers could not continue using the facility during the construction period. He added that alternative bowling facilities within Musselburgh and at Meadowmill had been identified but that the bowlers were not satisfied with what had been offered. It was noted that on completion of the works, the bowlers would be able to use the hall, although there was no guarantee on the degree of access they would have.

Councillor Knox welcomed the report and the opportunities that the refurbished hall would provide for users.

Councillor S Currie drew attention to the level of investment involved and the benefits to the wider community.

Decision

The Cabinet agreed:

- i. to note the decision of the Executive Director of Community Services (per the Head of Community Housing & Property Management) as appointed representative under Standing Order 50(ii) and delegation Appendix 2a (Tenders) thereto and after consultation with the Provost and the Head of Finance to accept Messrs AKP Scotland's tender amounting to £2,966,937.81 after checking and correction and noting that it was open for consideration until 4 March 2011 for the Proposed Main Hall and Bar Improvements at Brunton Hall, Musselburgh; and
- ii. to note that the Executive Director of Community Services had approved the award of this contract.

Sederunt: Councillors Gillies and Hampshire left the meeting.

8. SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

The Cabinet unanimously agreed to exclude the public from the following business containing exempt information by virtue of Paragraphs 1 and 6 (information relating to particular employees of the Authority, information concerning the financial or business affairs of any particular person other than the Authority) of Schedule 7A to the Local Government (Scotland) Act 1973.

Sub-Committee Minutes

The private minute of the Tenancy Sub-Committee meeting held on 17 February 2011 was approved.

The private minute of the Employee Appeals Sub-Committee meeting held on 3 February 2011 was approved.