

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

**TUESDAY 29 OCTOBER 2024
COUNCIL CHAMBER, TOWN HOUSE, HADDINGTON
AND VIA HYBRID MEETING FACILITY**

1

Committee Members Present:

Provost J McMillan (Convener)

Councillor S Akhtar

Councillor E Allan

Councillor R Bennett

Councillor C Cassini

Councillor D Collins

Councillor F Dugdale

Councillor J Findlay

Councillor A Forrest

Councillor N Gilbert

Councillor N Hampshire

Councillor L Jardine

Councillor C McFarlane

Councillor C McGinn

Councillor G McGuire

Councillor S McIntosh

Councillor K McLeod

Councillor L-A Menzies

Councillor B Ritchie

Councillor T Trotter

Councillor C Yorkston

Council Officials Present:

Ms M Patterson, Chief Executive

Ms L Brown, Executive Director for Education and Children's Services

Ms S Fortune, Executive Director for Council Resources

Ms F Wilson, Director of Health and Social Care

Ms H Barnett, Head of Corporate Support

Ms E Dunnet, Head of Finance

Ms N McDowell, Head of Education

Ms W McGuire, Head of Housing

Mr R Montgomery, Head of Development

Mr T Reid, Head of Infrastructure

Ms C Rodgers, Head of Communities

Mr J Baker, Service Manager – Economic Development

Ms E Barclay, Democratic Services Assistant

Mr S Cooper, Service Manager – Communications

Mr C Grilli, Service Manager – Governance

Mr M Hayman, Project Officer – Local Heat and Energy Efficiency

Mr P Iannetta, Service Manager – Engineering Services

Mr G Marsden, Project Manager – Growth and Sustainability

Visitors Present:

None

Clerk:

Mrs L Gillingwater

Apologies:
Councillor Bruce

Declarations of Interest:

For transparency purposes, in relation to Items 2 and 3, Councillors Forrest and McGinn declared that they were trustees of the Brunton Theatre Trust (appointed by the Council). Councillor Forrest declared an interest in Item 15, advising that he had assisted Musselburgh and Inveresk Community Council; he confirmed that he would leave the meeting for the duration of that item.

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

Prior to the commencement of business, the Provost made a statement regarding the former Scottish First Minister, Alex Salmond, who died on 12 October, and whose funeral was taking place on 29 October. The Provost advised that he had asked for the flag to be flown at half-mast to mark the death and funeral of Mr Salmond, and that he had sent condolences to Mrs Salmond on behalf of the Council.

The clerk recorded the attendance of Members by roll call.

1. MINUTES FOR APPROVAL

The minutes of the following meeting were approved: East Lothian Council, 27 August 2024.

2. FINANCE UPDATE

A report was submitted by the Executive Director for Council Resources providing an update on key developments relating to the in-year financial position, future budget setting, and transformation.

The Head of Finance, Ellie Dunnet, presented the report. She provided a summary of the in-year position, an update on the pay settlement, the forecast overspend, and the risks relating to grant funding for maintaining teacher numbers (all set out at Section 3.2 of the report). She drew Members' attention to the financial pressures facing the Integration Joint Board (IJB), to a letter from the Chief Financial Officer of the IJB on this matter (attached at Appendix 1 to the report), and to the recommended strategy for the Council (outlined at Section 3.6). Ms Dunnet also referenced the budget timetable and budget development work, advising that the Scottish Government had not yet outlined its intentions in relation to council tax increases. On the Brunton Theatre Trust, she proposed that a letter of comfort be provided, and she also highlighted ongoing transformation projects.

In relation to the Housing Revenue Account (HRA), Councillor Forrest asked about plans to continue building social housing. Ms Dunnet made reference to the reduction in Scottish Government funding for affordable housing, which had resulted in a scaling-back of the Council's new-build programme in 2024/25. This would have an impact on the homelessness budget. The Housing Service was looking at ways to maximise supply and would also be reviewing rent levels for 2025/26.

As regards the IJB overspend, Councillor Hampshire noted that the IJB had transferred £3m of reserves back to the NHS. He asked if the Council would need to fund the overspend should the IJB's recovery plan be unsuccessful. Ms Dunnet confirmed this to be the case, adding that it was for the IJB to determine how its reserves were used, and that the £3m would be used to offset the overspend on NHS services run by the IJB.

In response to questions from a number of Members on the IJB overspend, Ms Dunnet reported that of the £7.5m overspend, £3m related to Council services. She advised that demand-led services were facing significant pressure as a result of population growth and demographic change. She undertook to provide further financial details regarding input into the IJB in cash terms by both partners, and confirmed that the IJB was working towards a break-even position for all of its budgets.

Councillor Allan sought an update on the development of new income streams. Ms Dunnet informed her that the proposal for a visitor levy and additional council tax charges for long-term empty and second homes were two such examples.

Responding to questions from Councillor Menzies on housing matters, Wendy McGuire (Service Manager for Housing) referred to a recent Cabinet report on a homelessness action plan. She advised that the review of homelessness was ongoing, and she hoped to report back to Members on this by the end of the year. She stressed that there was significant pressure on the HRA, especially due to the reduction in capital funding. On the rent consultation, Ms McGuire advised that the survey was in the process of being designed and was due to be issued, so for this year, it would not be possible to involve Members in that process.

Councillor McIntosh questioned the possibility and impact of a council tax freeze. Ms Dunnet indicated that the Council was planning to implement a 10% rise for 2025/26, in line with the 2024/25 budget, which would raise an additional £9m. A council tax freeze would result in additional pressures of a similar amount, so a freeze would not be desirable to the Council; the Council's position had been communicated through CoSLA.

Councillor Trotter asked for further details on the use of agency staff and income generation. Ms Dunnet explained that agency staff were used across services, especially to cover frontline vacancies; she offered to provide further information on this. On income generation, she advised that targets were set for various income streams, including garden waste collection and council tax premiums, and that work to achieve these targets was ongoing.

Councillor Akhtar asked about the impact of the IJB situation on health and social care services. Ms Dunnet referred to the letter from the IJB CFO, noting that the longer-term impact would be for the Council to consider during the budget development process.

Councillor Hampshire opened the debate, stating that services across the Council were struggling to cope with demand. He expressed his concern at the position with the IJB overspend, warning that any additional contribution required from the Council would have to be met from implementing cuts to other services. He noted that the NHS had made significant savings as a result of its partnership working with the Council to reduce levels of delayed discharge, and he was concerned that additional costs would sit with the Council. On homelessness, he advised that the Council had done what it could to provide more homes, but that the funding to deliver additional homes was no longer available. He hoped that the UK Government's budget would release funding for new affordable housing. As regards the budget development process, he accepted that difficult decisions would have to be taken and hoped that all political groups would work together in order to achieve a balanced budget.

Councillor Menzies agreed with the points made by Councillor Hampshire and welcomed the opportunity to work in collaboration with the Administration. She suggested that if there was insufficient funding allocated to Scotland in the UK Government's budget, that the Council should write to the Chancellor of the Exchequer to make her aware of the situation in Scotland. Councillor Menzies paid tribute to Council staff for their efforts to deliver services despite the financial challenges.

Councillor Akhtar also commended staff for their work in supporting communities. On the IJB situation, she pointed out that the budget for health and social care services had been underfunded for some years as it did not take account of East Lothian's population growth. She made reference to a 40% increase in demand for adult social care services, which had resulted in the IJB overspend. She stressed the importance of providing locally based social care services to allow people to access services and to remain within their communities. She also mentioned that primary care services in East Lothian had also been underfunded, and that there was a desire to carry out more 'green prescribing', but that this wasn't possible due to a lack of resources. Councillor Akhtar was concerned about the IJB reserves situation and of the short- and long-term impact of this. She also emphasised the need for the Barnett consequential to be passed on as regards health and social care. She stated her commitment to working with the NHS to continue to providing community-based services.

Councillor Dugdale noted that many of the Council's challenges had resulted from the growth in population and the resulting demand for services. She voiced her concern about the potential for penalties of up to £1.5m to be applied in relation to maintaining teacher numbers, especially as the final position on this would not be known until January.

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

Decision

The Council agreed:

- i. to note the movement in-year financial projections since the quarter one report;
- ii. to note the recurring pressures and ongoing risks facing the Council in relation to its capacity to manage the financial environment;
- iii. to agree the approach to supporting the IJB funding, as set out in paragraph 3.6;
- iv. to note that the ongoing intervention measures approved by Council remain under review;
- v. to note the update on budget development;
- vi. to note the proposed approach to budget consultation for both General Services and Housing Revenue Account;
- vii. to agree to provide the Brunton Theatre Trust with a further letter of comfort to support the going concern assumption for the 2023/24 financial statements audit; and
- viii. to note the update on transformation.

3. THE BRUNTON HALL RAAC UPDATE, PROPOSAL FOR CLOSURE, AND ALTERNATIVE SERVICE DELIVERY ARRANGEMENTS

A report was submitted by the Executive Director for Place providing an update on the current position at the Brunton Hall, which has been compromised structurally due to the discovery and condition of Reinforced Autoclaved Aerated Concrete (RAAC).

The Head of Infrastructure, Tom Reid, presented the report, providing an update on the current condition of the building and the safety arrangements in place. He indicated that the Brunton Hall was no longer suitable for use as office accommodation and set out proposals for the relocation of the staff currently located there, as well as the closure and mothballing of the building. Mr Reid provided details of the option appraisal undertaken for the building (set out at Sections 3.22-3.23 of the report). However, he advised that none of the options listed presented value for money, and he therefore proposed that the building should be demolished. He also proposed plans for a place-based approach to future service delivery, as outlined in Section 3.26 of the report.

In response to questions from Councillor McIntosh, Mr Reid explained that the relocation of staff would take up to six months, and that there were no plans to demolish the Brunton Hall in the short term; as the building was a Common Good asset, consultation would need to be carried out on the proposed demolition of the building. A second consultation with all stakeholders would be undertaken which would inform a business case for the future provision of the arts service – the results of the consultation would be presented to Members prior to a final decision being taken. He added that a detailed report on the work carried out to date would be lodged in the Members' Library as soon as possible. As regards the relocation of staff, Mr Reid accepted that there may be some challenges, and that further work was required before the proposals were finalised; a further announcement on this would be made in the coming weeks.

Councillor McLeod requested further information on the proposed 'place-based approach'. Mr Reid advised that this approach would involve working with partners and stakeholders and would take account of the condition and utilisation of existing buildings; sustainability, maintenance and replacement costs; how buildings could be used; bringing groups together to rationalise assets; the economic impact; and the funding of replacement assets. This approach would give communities a say in how assets should be used in the future to meet their needs.

Councillor Bennett asked about the impact of the proposed demolition on the Musselburgh Common Good fund. Mr Reid indicated that there would be both revenue and capital costs associated with the remediation works, maintenance and demolition of the building that would affect the fund; further detail on these costs would be developed as part of the business case.

Councillor Findlay voiced his concern about the water ingress issue and asked why this had been allowed to continue. Mr Reid explained that the building had a flat roof, which had developed a minor leak, but at that point the existence of the RAAC was not known. Further deterioration had taken place in the past year, and it had not been possible to carry out remediation work on this due to the existence of the RAAC.

Responding to questions from Councillor Collins, Mr Reid confirmed that RAAC was not covered by insurance due to it being an age defect in the building. He pointed out that all of the RAAC panels in the building formed the load-bearing structure of the roof, so the entire roof of the upper floor had been compromised. He noted that there was no risk of falling materials on the lower floors but that there was risk to the services that run under the ceiling space and that there was also an asbestos risk, hence the need to relocate the staff and mothball the building.

Mr Reid informed Members that the solution developed for the RAAC problems at Preston Lodge and Ross High Schools was not suitable for the Brunton Hall due to the nature of the spaces in the building and the presence of asbestos, as well as the age and the fabric of the building.

Answering questions raised by Councillor Forrest, Paul Iannetta (Service Manager for Engineering Services) advised that consideration had been given to retaining the concrete structure and building around it, but that this would be very expensive. He anticipated that it would take around six months to split the heating system (which currently serves both the Brunton Hall and Brunton Court). Mr Reid acknowledged that the demolition work would cause some disruption in the area, but that this would be carefully planned to minimise disruption.

Councillor Cassini sought an update on the future of the arts service in Musselburgh. Mr Reid pointed out that this would likely require partnership working with the UK and Scottish Governments and other agencies.

The Provost invited Councillor Menzies to speak to her amendment, which had been shared with all Members in advance of the meeting. She indicated that her amendment would alter the wording of Recommendation 2.8 to reflect that the Council should agree to 'undertake a place-based development project to prepare options for the future service delivery ensuring accommodation of the arts in the town of Musselburgh'. The amendment was seconded by Councillor Trotter.

Councillor Hampshire opened the debate by stressing the difficulty of the situation with the Brunton Hall. He agreed that it was an important facility for the whole of East Lothian, and that it would be sad to lose the building. He declared that he would be supporting Councillor Menzies' amendment, as it would let the people of Musselburgh know that the Council would do what it could to provide theatre facilities in the town and to regenerate the High Street area. However, he recognised that attracting funding would be difficult, and that private sector support would likely be required.

Councillor Bennett proposed an amendment, as follows: 'that the Council asks the Council Leader to write to the Cabinet Secretary for the Constitution, External Affairs and Culture, and the Secretary of State for Culture, Media and Sport of the UK to bring to their attention the need for theatre space in Musselburgh to protect and preserve the cultural and social benefits that culture and arts bring to East Lothian, and to ask for national and UK-level assistance to return a theatre to Musselburgh'. The amendment was seconded by Councillor Jardine.

The Provost advised that he was prepared to accept this late amendment.

Councillor McIntosh spoke in support of comments already made, and she also welcomed the views of Musselburgh and Inveresk Community Council, hoping that other members of the community would get involved with the place-based arts project. She stressed the need to support the Brunton Theatre Trust during this difficult period.

Councillor Cassini expressed her sadness at the proposed demolition of the Brunton Hall, and of the loss of the theatre. However, she welcomed the commitment to place-based arts.

Councillor Collins stated that theatres were essential community facilities. They also inspired new talent in all areas of the arts and provided a variety of jobs. She was keen for the spirit of the Brunton Theatre to be preserved and that a new facility would be built for future generations of performers. Her comments were echoed by Councillor McGinn, who commented that access to the arts was important to people across East Lothian. He also commented on the valuable work of the staff involved in the arts.

Councillor Jardine commented that Councillor Menzies' amendment sought to ensure that the community would be key in the decision-making on the future provision of the arts in Musselburgh.

Closing the debate, Councillor Forrest recalled the variety of events that had taken place in the Brunton Theatre. He paid tribute to the Brunton Theatre Trust and the East Lothian Arts Service. He acknowledged that the Council would not be in a position to replace the Brunton Hall without support from the Scottish and UK Governments, other agencies and supporters.

The Provost then moved to the roll call vote on the amendment to the recommendations, as proposed by Councillors Menzies and Trotter, which was approved unanimously.

The Provost then moved to the roll call vote on the amendment to the recommendations, as proposed by Councillors Bennett and Jardine, which was approved unanimously.

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

Decision

The Council agreed:

- i. to note that RAAC roof panels are present at the Brunton Hall and that structural surveys have identified significant structural issues with these;
- ii. to note the current condition of the RAAC roof panels, the challenges of maintaining statutory compliance, and the poor working environment at the Brunton Hall;
- iii. to relocate Council services currently operating from the Brunton Hall to alternative locations, at a cost of £442,000;
- iv. to approve the closure and mothballing of the Brunton Hall as soon as possible after suitable alternative arrangements for service delivery are in place;
- v. to carry out one-off mothball works at the Brunton Hall and split the heating system that serves both the Brunton Hall and Brunton Court, at a cost of £729,000 (of which £705,000 will require clarification as to whether all or an apportionment sits within the Housing Revenue Account);
- vi. to note that the potential remediation of the RAAC at the Brunton Hall is unaffordable and that the preferred option is to demolish the building at a cost of £3.6m; and
- vii. to undertake a statutory consultation under the Community Empowerment (Scotland) Act 2015 to demolish the Brunton Hall;
- viii. to undertake a place-based development project to prepare options for the future service delivery ensuring accommodation of the arts in the town of Musselburgh;
- ix. that the results of the consultation exercise and the place-based development project are reported to the Council to allow a decision on this proposal to be taken; and
- x. that the Council Leader would write to the Cabinet Secretary for the Constitution, External Affairs and Culture, and the Secretary of State for Culture, Media and Sport for the UK to bring to their attention the need for theatre space in Musselburgh in order to protect and preserve the cultural and social benefits that culture and the arts bring

to East Lothian, and to ask for national and UK-level assistance to return a theatre to Musselburgh.

4. LOCAL HEAT AND ENERGY EFFICIENCY STRATEGY AND DELIVERY PLAN

A report was submitted by the Executive Director for Place presenting the Local Heat and Energy Efficiency Strategy (LHEES) and Delivery Plan for approval.

The Service Manager for Planning, Keith Dingwall, and the Project Officer for Local Heat and Energy Efficiency, Martin Hayman, presented the report, reminding Members on the progress made to date with the LHEES. Mr Hayman set out the five aims of the Strategy (outlined in Section 3.11 of the report), noting that it was aligned to the Council Plan objectives. He advised that the detailed Strategy was available in the Members' Library.

Councillor Jardine questioned why the draft strategy had not complied with the Scottish Government guidelines and asked about the costs of feasibility studies. Mr Hayman explained that the compliance issue was due to how information was presented, and the insufficient use of maps. He anticipated that the feasibility study may cost as much as c. £90-100,000 for the initial work.

In response to a series of questions from Councillor McIntosh, Mr Hayman advised that heat pumps cost c. £10-12,000 per property, but that there was grant funding available. If all homes were to be fitted with heat pumps, then significant investment in the electricity grid would be required; however, he believed that if district heat networks could be developed, then this would reduce the need for that investment. He also spoke of ambient loop heating systems, which could be installed in future housing developments, but noted that these could be expensive to run, especially in older properties. Mr Hayman stressed the importance of engaging with private landlords, both at a national and local level, on how to make properties more energy efficient. He also spoke of the valuable input into the development of the Strategy from the community and of the opportunities that could be driven at community level. Demonstrating the potential reach of district heat networks, Mr Hayman advised that the level of heat loss depended on the surface area of the pipes; as an example, he anticipated that to take heat from Dunbar to Musselburgh would result in a loss of less than 1°C of heat, and that heat loss across the network would be c. 10-15%.

Councillor Findlay asked why solar technology was being prioritised and also about the installation of new technology in multi-property buildings. Mr Hayman indicated that that solar technology would be more effective in rural properties or those set back from the street, whereas blocks of flats, etc. would benefit from a district heating solution.

Councillor Hampshire expressed concern about the cost and timeframe for implementing new systems, as well as the availability of trained tradespeople to install the technology. Mr Hayman recognised that working in partnership with colleges and existing operators would be required, noting that training would be delivered regionally. He accepted that the timelines were challenging, and it would take c. 15 years for most properties in East Lothian to be connected to a district heat network, at a rate of 3-4,000 properties being connected per year; those properties currently heated by gas would be the primary target for district heating. He added that 70% of Danish homes were now connected to district heat networks.

Councillor Yorkston asked about the progress made by Midlothian Energy and whether it would be possible for Members to visit their facility. Mr Hayman indicated that their facility at Millerhill would be operational at the end of this year, and that they had invited the Council to visit. He also referenced the sea-source heat pump system operated by Clyde Homes, another type of technology that could be explored. Mr Hayman noted that there were a number

of small-scale operators, but that it was difficult for them to attract the required level of investment.

The Provost asked about the next steps in the process. Mr Hayman advised that reporting would come through the Council's Energy Transformation Board to officers, to be followed by reports to Council, as required.

Opening the debate, Councillor McFarlane pointed out that people living in older properties were concerned about the costs of installing alternative heating systems, and she hoped that they would be supported.

Councillor Jardine spoke of the opportunities, which would help tackle climate change and fuel poverty. She commended the work of East Lammern Community Council, located in a ward with a number of renewables projects, for their help in engaging with other Community Councils on this issue.

Welcoming the report, Councillor McIntosh remarked that heating buildings was one of the reasons for climate targets being missed, and that there were opportunities to change that. She suggested that windfarm community benefit funds could be used as initial capital, and that using waste heat could provide cheaper fuel and alleviate fuel poverty. She urged Members to support the Strategy.

Councillor McGuire commented that windfarms were supposed to generate cheaper energy but that this had not happened.

Councillor Forrest welcomed the proposals for community engagement, noting the importance of the communities getting behind the Strategy.

Concluding the debate, the Provost highlighted the need to set goals and review outcomes, and also to engage with communities and potential providers in order to ensure that solutions could be delivered.

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

Decision

The Council agreed:

- i. to approve the Local Heat and Energy Efficiency Strategy and Delivery Plan; and
- ii. that officers should continue to explore all opportunities to undertake feasibility studies where funding is available to assess the technical and financial viability of district heating and smaller-scale local heat network solutions.

5. DEVELOPMENT OF A VISITOR LEVY PROPOSAL

A report was submitted by the Executive Director for Place seeking approval for the development of a Visitor Levy Proposal for East Lothian.

The Service Manager for Economic Development, Jamie Baker, presented the report. He explained the rationale for visitor levies and how this would work in Scotland, noting that each local authority could determine many elements of such a scheme. He advised of a number of Scottish local authorities who were currently looking at introducing a visitor levy, and of the

types of accommodation included within the legislation. He also set out the indicative timeline for progressing this issue, should the Council support the proposal.

Councillor Hampshire sought clarification on the timescales for introducing a visitor levy. Mr Baker indicated that the only stage of the process which could be shortened was the design stage, as the other stages had statutory timelines.

In response to a question from Councillor Findlay, Mr Baker advised that c. 15 Scottish local authorities were currently considering introducing a visitor levy, with the City of Edinburgh and Highland Councils at a more advanced stage than the others.

Councillor Trotter asked about the scope of the levy and how the income would be allocated. Mr Baker explained that all overnight stays, including in hotels, bed and breakfasts, and short-term let properties, would be subject to the levy, but that second homes and traveller sites would be exempt. He added that it would be for the Council to decide on the introduction of a cap on the length of stays, as well as how the income was used.

Councillor McIntosh asked if the Council was working in partnership with other authorities on this issue, and if there had been any discussions on how income would be used. Mr Baker pointed out that there had been discussions as regards regional projects, but that nothing had been agreed in relation to cross-border collaboration or collection. However, the Improvement Service were working on a single system that would be used across all areas. On the use of the income, he advised that that aspect would be considered if the proposal was approved, but suggested that it could be used to support, for example, the provision of affordable homes. He added that the proposal would be subject to a statutory consultation, which would include East Lothian residents.

Responding to a question from Councillor McGinn on how the levy would be implemented and enforced, Mr Baker advised that the Economic Development Service would be working on these aspects during the development phase, in collaboration with the Revenues Service. He reiterated that a national system was being developed, which should allow for payments to be made through a portal which would connect to the relevant local authority. He recognised that collecting payments for some types of properties may be more difficult than others, and that there were some anomalies that were still to be resolved.

Councillor Findlay remarked that he was broadly in favour of the introduction of a visitor levy but stressed that the process should be as simple as possible for small businesses.

The Provost commented on a similar system in place in Aubigny, France, which had generated a significant amount of income to be spent locally.

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

Decision

The Council agreed:

- i. to note that the Visitor Levy (Scotland) Act 2024 (the Act) was passed by the Scottish Parliament in May 2024, and received Royal Assent in July 2024. This Act gives local authorities in Scotland the power to introduce a Levy that is charged on the purchase of overnight accommodation at a percentage rate, and it is for each local authority to decide, through consultation, whether or not to introduce a Visitor Levy Scheme;

- ii. to agree that a proposal for an East Lothian Visitor Levy Scheme should be developed and, in doing so, engage with residents, businesses and other key stakeholders regarding the proposed objectives and operation of such a scheme; and
- iii. to note that developed proposals will be brought back for review and further approval prior to full public consultation, and thereafter will be reviewed and presented to Council for a decision regarding implementation.

6. FORMER COCKENZIE POWER STATION SITE TECHNICAL APPRAISAL

A report was submitted by the Executive Director for Place presenting the outputs of the Technical Appraisal process undertaken for the former Cockenzie Power Station site and seeking authority to undertake community engagement to get feedback on the outputs.

The Project Manager for Growth and Sustainability, Graeme Marsden, presented the report, providing a detailed summary of the contents of the Technical Appraisal (outlined in Sections 3.6-2.12 of the report). He also highlighted the key next steps (as set out in Section 3.13 of the report).

Councillor Ritchie asked about the community engagement plans. Mr Marsden advised that community engagement events would be organised, and that officers were looking to restart the Cockenzie Community Forum, with Forum members being invited to meet with the consultants. He noted that he had already made contact with the head teacher of Preston Lodge High School with a view to engaging with the school community.

Councillor Jardine asked if there was any provision in the capital programme to take this work forward. Mr Marsden confirmed that there was no such provision currently (other than the allocation of funding for enabling works) and that it would be for the Council to consider allocating further funding in the future. He added that the project was subject to investment, and that the Technical Appraisal was a key part of developing the wider investment business case.

Councillor Yorkston made reference to concerns in the community regarding the removal of the bunds, and asked what action was being taken to alleviate these concerns. Mr Marsden explained that as part of the enabling works, Balfour Beatty and its subcontractors were taking appropriate measures as regards the monitoring and removal of asbestos and other contaminants. He noted that there were bats present in one part of the site (which would not be worked on at this time), and that a licence would be required from NatureScot as regards the provision of an alternative habitat. He added that the bat surveys had not yet finished and that officers would have a better idea of what was required once this work was complete. As regards deer, machinery would not be operated when the deer were present; the former railway gates may be opened to allow them access to the open countryside.

Responding to questions from Councillor McIntosh, Mr Marsden advised that consideration was being given to using the rail connection to the East Coast Mainline for freight, but that there hadn't been sufficient demand for this to date, and that keeping it open would come at a cost to the Council; however, the rail connection aspect would form part of the marketing of the site. On the use of sea-source heat pumps, Mr Marsden indicated that it would be for the Council to determine if this should be taken forward, and that survey work would need to be carried out if this was a preferred option.

Councillor Akhtar asked if the Council was receiving external advice as regards the marketing of the site and commercial engagement. Mr Marsden pointed out that officers met with Scottish Enterprise and other agencies regularly to discuss the emerging opportunities for the

brownfield sites, and that the Council was being advised by Galbraith on commercial engagement and marketing.

Councillor Ritchie welcomed the opportunities for the future of the site. She urged the Council to engage with the local communities on this matter.

Councillor Yorkston noted that there were 13 pockets of deprivation in the west of East Lothian, and that 50% of working residents commuted outwith East Lothian for employment. This site provided an opportunity for local jobs for local people, especially young people. On concerns for wildlife, he pointed out that fossil fuels were the biggest contributor to climate change, and that he would welcome the creation of jobs that would reduce car journeys.

The Provost paid tribute to the late Councillor Innes, as well as Monica Patterson (Chief Executive), Douglas Proudfoot (Executive Director for Place) and Ray Montgomery (Head of Development) for their vision and work in securing the site for the Council.

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

Decision

The Council agreed:

- i. to note the Stantec Technical Appraisal Report (available in the Members' Library; Ref: 129/24, October 2024 Bulletin);
- ii. that officers should engage with local communities on the Technical Appraisal Report and the report on feedback; and
- iii. that officers should engage in further commercial and marketing of the site.

7. APPOINTMENT OF HEAD OF CORPORATE SUPPORT

A report was submitted by the Executive Director of Council Resources advising the Council of the decision of the Chief Officer and Head Teacher Appointments Sub-Committee to appoint Hayley Barnett to the post of Head of Corporate Support, encompassing the role of Monitoring Officer.

The Clerk advised that Ms Barnett had taken up her role as Head of Corporate Support on 2 September. She pointed out that it was proposed that Ms Barnett be appointed to the Statutory Post of Monitoring Officer, with effect from 30 October 2024.

The Provost formally welcomed Ms Barnett to the Council.

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

Decision

The Council agreed:

- i. to note the decision of the Chief Officer and Head Teacher Appointments Sub-Committee to appoint Hayley Barnett as Head of Corporate Support;

- ii. to advise Council that, following receipt of satisfactory pre-employment checks, Hayley Barnett was offered the post and commenced employment with the Council on 2 September 2024;
- iii. to note the minute of the Chief Officer and Head Teacher Appointments Sub-Committee held on 5 June 2024 for the appointment of the Head of Corporate Support (attached at Appendix 1 to the report); and
- iv. to approve the appointment of Hayley Barnett to the statutory post of Monitoring Officer, with effect from 30 October 2024.

8. WORK OF COUNCIL CHAMPIONS 2023/24

A report was submitted by the Executive Director for Council Resources advising the Council of the work of the Council Champions during the previous 12 months.

Carlo Grilli, Service Manager for Governance, presented the report, asking Members to note the work undertaken by the Council Champions (as set out in Appendix 1 to the report) and to consider any additional areas that would benefit from a designated Council Champion. He proposed that future reports on the work of the Champions be submitted to the Members' Library.

Councillor Menzies welcomed the report, particularly in relation to recognising the work of volunteers in the community. She highlighted the recent Inspiring Volunteers Awards, which celebrated the achievements of East Lothian's volunteers, as well as paying tribute to a number of voluntary groups within her own ward. She thanked Councillor McGinn for his work with voluntary groups.

With reference to Councillor Ritchie's report, as Champion for Young People, Councillor Jardine stressed the importance of young people having a voice. On holding surgeries specifically for young people, she offered to work with Councillor Ritchie to introduce this in the Dunbar and East Linton ward.

As Champion for Veterans, the Provost commented on the valuable support and voluntary work provided by veterans, especially during the period around Remembrance Sunday.

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

Decision

The Council agreed:

- i. to note the work of the Council Champions in 2022/23;
- ii. to consider whether there are any additional areas that would benefit from the appointment of a designated Champion; and
- iii. that future reports on the work of Council Champions will be submitted annually to the Members' Library.

9. CROSS-PARTY GROUP ON CLIMATE CHANGE AND SUSTAINABILITY

A report was submitted by the Executive Director for Council Resources seeking approval to change the membership of the cross-party Climate Change and Sustainability Forum to allow substitutes to attend.

The Clerk presented the report, advising of the proposal to alter the membership of the Climate Change and Sustainability Forum to allow for substitutes to attend meetings.

Councillor Hampshire proposed that the Cabinet Member for Environment, Economic Development and Tourism (Councillor McMillan) should be appointed as a permanent member of this Forum. This proposal was seconded by Councillor McIntosh.

Councillor Jardine commented that it wasn't always possible to appoint a substitute within one's own political group. The Clerk advised that where that wasn't possible, then Members from other groups could be asked to substitute.

Councillor McIntosh suggested that the remit of the Forum should be reviewed and that this could be discussed at the next meeting.

The Provost then moved to the roll call vote on the amendment to the recommendations, as proposed by Councillors Hampshire and McIntosh, which were approved unanimously.

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

Decision

The Council agreed:

- i. to change the membership of the cross-party Climate Change and Sustainability Forum to allow substitutes to attend; and
- ii. to appoint Councillor McMillan, as the Cabinet Spokesperson for Environment, Economic Development and Tourism, as a member of the cross-party Climate Change and Sustainability Forum.

10. 2024 EAST LoTHIAN RESIDENTS' SURVEY

A report was submitted by the Executive Director for Council Resources presenting a summary of the main findings of the 2024 East Lothian Residents' Survey.

The Service Manager for Communications, Stewart Cooper, presented the report, advising that the survey had sought feedback on a broad range of issues from a representative sample of 10,000 East Lothian residents, and had been conducted using both online and paper formats. He noted that the results were summarised in the report, with the full, detailed survey being available in the Members' Library.

Councillor Jardine asked about the methodology used for the survey. Mr Cooper explained that, in order to obtain comparable results, the methodology used was the same as that used in 2021, and that the methodology had changed at that time to a self-completion process due to the COVID-19 pandemic. He advised that, going forward, consideration would be given to other methodologies and techniques, adding that the Council already engaged with residents and community groups in a variety of ways. Councillor Jardine noted that she was interested in looking further at the methodology, especially the weighting of the responses.

Councillor Hampshire suggested that it would be useful to have more detail on the responses to some questions to find out why people had responded in the way they had. Mr Cooper took note of that, in relation to the format of the survey.

In response to a question from Councillor Dugdale regarding people who were experiencing financial difficulties and the future impact of that issue, Mr Cooper advised that he was unable comment on whether this was a national trend, but he indicated that there was information in the survey that could be shared with partners and inform the development of strategies and policies going forward.

Councillor Menzies noted that the survey would be taken into account during the budget development process. She argued, however, that due to the small number of respondents and because the responses did not cover all age groups, the evidence was flawed and that Members should be mindful of this when considering the results.

Councillor Akhtar commented on the strong sense of community demonstrated in the survey. She stressed that Community Planning Partners had an important role to play in taking forward some of the aspects of the survey and reporting back on actions taken.

Councillor Dugdale welcomed the increased use of the Council's website by residents in order to pay bills and access services. The Provost concurred, but was also mindful of those residents who found connectivity challenging.

Decision

The Council agreed:

- i. to note the main findings of the 2024 Residents' Survey, as presented in the report; and
- ii. to note that the findings of the survey would be used by the Council and Community Planning Partners to inform the development of future strategies and plans, including the development of budget proposals.

11. NOTICE OF MOTION: WINTER FUEL PAYMENTS

A motion was submitted by Councillors Findlay and Collins on the subject of Winter Fuel Payments, as set out below:

This Council is asked to note that the withdrawal of the Winter Fuel Payments by both the UK Government in Westminster and the Scottish Government in Holyrood will have a significant and direct impact on millions of pensioners across the UK and here in East Lothian. According to estimates by the Scottish Government 900,000 Scottish pensioners will lose out and that the Scottish Parliament Information Centre estimates that over 16,000 pensioners will lose out here in East Lothian.

The Council is asked to further note that only an estimated 1,744 pensioners receive pension credit in East Lothian and will be protected from the change.

Additionally, it is believed that the choice of pension credits as a means test will not detract from the fact that there are many eligible for pension credit who don't receive it and many others who fall outwith this arbitrary means test and will suffer badly this winter, facing a choice between heating their homes and feeding themselves. It is also expected

that this policy will result in higher excess winter deaths this year, which in Scotland are already the worst in 30 years.

We call upon the Council Leader to write to both the Prime Minister and the First Minister to protest against the withdrawal of Winter Fuel Payments, outlining the negative impacts; and to ask them to reconsider their position and bring back the Winter Fuel Payment to those pensioners who are not higher rate tax payers.

We also ask that a strategic communications plan be put in place to contact as many pensioners as possible through our libraries, community centres and other spaces, informing them of their right to claim pension credit and telling them in clear and precise terms how to make such a claim.

Presenting his motion, Councillor Findlay described the withdrawal of the Winter Fuel Payment by both the UK and Scottish Governments as 'unfair and unreasonable', adding that the funding gap was partly due to the UK Government awarding above-inflation pay increases to some sectors. He believed that a full impact assessment of this policy had not been undertaken, that the means-testing of this payment had not gone far enough and, as a result, many older people would be affected, having to 'choose between heating and eating'. He suggested that older people should be encouraged to claim pension credit. He called on Members to stand up for pensioners in East Lothian by supporting the motion.

The motion was seconded by Councillor Collins, who commented that there was a misunderstanding that pensioners were wealthy. She was of the view that removing this payment just before winter was cruel, as many pensioners were on a fixed budget and would not be able to absorb the loss of that payment.

Opening the debate, Councillor Hampshire considered the motion to be premature, given that the new UK Government's budget had not yet taken place. He contended that the new Labour Government had inherited a very challenging financial situation and that it would be difficult to turn this situation around. He agreed that the cut-off for pension credit should be at a higher level, and that those people just missing out on the Winter Fuel Payment may find this loss of income difficult. He argued that many families would also be impacted by high energy prices. He attributed this problem to the previous UK Government selling off energy companies and becoming reliant on imported gas, as well as high inflation.

Councillor McIntosh expressed her surprise at the motion, arguing that the current financial situation was due to 14 years of austerity under the previous Conservative Government. She claimed that the Scottish Government's decision to withdraw the Winter Fuel Payment was due to their budget being impacted by the withdrawal of the funding by the UK Government. She was not supportive of the motion.

Councillor Bennett was critical of the policies of the previous Conservative Government, particularly in relation to the cost-of-living crisis and energy crisis; he was of the view that the motion was 'in bad faith'. His views were shared by Councillor McGinn, who voiced his disappointment that it had been put forward.

On behalf of the SNP Group, Councillor Jardine declared that her Group would not be discussing this motion, given that they had a motion on the subject of austerity on the agenda.

The Provost concluded the debate by expressing his disappointment that the motion had been submitted, as he believed that more could be achieved by cross-party working on such issues.

Having been invited to sum up, Councillor Findlay noted that he had nothing to add to his original statement.

The Provost then moved to the roll call vote on the motion:

For:	4	(Councillors Collins, Findlay, McGuire, McLeod)
Against:	10	(Councillors Akhtar, Bennett, Dugdale, Forrest, Hampshire, McFarlane, McGinn, McMillan, Ritchie, Yorkston)
Abstentions:	7	(Councillors Allan, Cassini, Gilbert, Jardine, McIntosh, Menzies, Trotter)

The motion therefore fell.

12. NOTICE OF MOTION: IMPACT OF AUSTERITY

A motion was submitted by Councillors Jardine and Menzies on the subject of the Impact of Austerity, as set out below:

Council notes with regret the recent statements, by Westminister Prime Minister on August 27th “There is a budget coming in October and it’s going to be painful”, and the Chancellor of the Exchequer who on July 29th advised that “difficult decisions” to find £5.5 billion of savings this year and £8.1 billion next year, will be taken, which demonstrate that after 14 years, ‘austerity’ will not end.

Council also notes that on May 19th Wes Streeting (now Secretary of State for Health and Social Care) stated “All roads do lead back to Westminister because even though this (Health) is devolved, decisions taken in Westminister have an impact on the NHS across the whole country”.

Council notes that on September 3rd the Scottish Government has had to make £500 million in savings to ease “enormous and growing pressure on the public finances”.

Council notes that according to the Wales Governance Centre at Cardiff University, the Welsh government is facing “serious budgetary challenges” in the region of £683 million, or face cuts to non-protected areas.

Council also notes that ‘two child benefit cap’ which impacts over 1,600 children¹ in East Lothian is to remain, that over 16,000 pensioners in East Lothian and almost 885K pensioners across Scotland² will lose their Winter Fuel Payments, that the energy price cap will be increased by 10% in October impacting almost every household across East Lothian.

Given the above, and this month’s budget statement, Council seeks a report by the Executive Director for Council Resources to be presented to the Cabinet Committee or the full Council by the end of the year as to what measures East Lothian Council can continue to take or may seek to take, to address the impact of continuing ‘austerity’ on our communities.

Councillor Jardine presented the motion. She accepted that the new UK Government would have to make difficult decisions; however, she was concerned that this would mean continued austerity, which would have an adverse impact on vulnerable people, as well as further cuts to public services. She was also concerned about the potential increase in employer National Insurance contributions, which would have an impact on small and medium-sized businesses, especially as most businesses in East Lothian were small. She believed that the UK Government could choose to abolish the two-child benefit cap, noting that the Scottish Government had tried to mitigate the effects of austerity by introducing measures such the

¹ https://endchildpoverty.org.uk/two_child_limit/ - see interactive summary map

² [Winter Fuel Payment in Scotland – SPICe Spotlight | Solas air SPICe \(spice-spotlight.scot\)](#)

Scottish Child Payment. She stressed that the Council had a responsibility to seek to understand the impact of austerity.

Seconding the motion, Councillor Menzies focused on the final paragraph of the motion, urging the Council to consider the impact of austerity and what it could do to mitigate that impact. She believed that by doing this it would help Members when developing the budget.

Councillor Hampshire opened the debate, remarking that he would rather be discussing how to help people in East Lothian, rather than focusing on national politics. He reiterated that the new UK Government had inherited a challenging financial situation, and that it was not yet known what would be included in the budget. On that basis, he felt that the motion was premature and he therefore could not support it.

Councillor Ritchie commented that austerity had had a significant impact on communities, as outlined in Finance Updates and other reports to the Council. However, she noted that it was not known at this time if austerity measures would continue, given that the UK Government had not announced its budget.

Councillor McIntosh remarked that increasing taxes did not necessarily amount to austerity, and that there were options such as wealth taxes that could be considered. She also referred to energy costs, noting that electricity prices were currently tied to gas prices – she claimed that changing that system would transform the energy market. Despite having sympathy with the situation that the new UK Government had inherited, she stated that she would be supporting the motion.

Speaking in opposition to the motion, Councillor McGinn suggested that the motion should also have covered the Scottish Government's record over the past ten years.

Councillor Akhtar stated that the Prime Minister wanted to prevent austerity and to protect the public sector. She, too, considered the motion to be premature. She also made reference to the high costs associated with a number of Scottish Government policies, at a time when local services were suffering.

Councillor Cassini considered it reasonable to have a report to Council or Cabinet setting out what the Council could do to address the impact of austerity.

The Provost observed that the motion was asking for a report to come forward in advance of the Scottish Government budget being announced in December. He argued that reports would continue to come forward to Members that would inform the Council's budget discussions and priorities, but he felt that the report being requested was premature.

Summing up, Councillor Jardine pointed out that there were concerns about the UK Government's budget, hence bringing forward the motion at this time. She accepted the point made about including more about the Scottish Government's policies in the motion. She also accepted that Members would be provided with lots of information through the budget development process, but stressed that the report being requested was more concerned with the impact of austerity on communities.

The Provost then moved to the roll call vote on the motion:

For:	11	(Councillors Allan, Cassini, Collins, Findlay, Gilbert, Jardine, McGuire, McIntosh, McLeod, Menzies, Trotter)
Against:	10	(Councillors Akhtar, Bennett, Dugdale, Forrest, Hampshire, McFarlane, McGinn, McMillan, Ritchie, Yorkston)
Abstentions:	0	

The motion was therefore carried.

Decision

The Council agreed that a report by the Executive Director for Council Resources should be presented to a Cabinet or Full Council meeting by the end of the year as to what measures East Lothian Council could continue to take, or may seek to take, to address the impact of continuing 'austerity' on communities.

13. SUBMISSIONS TO THE MEMBERS' LIBRARY SERVICE, 12 AUGUST – 13 OCTOBER 2024

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

Decision

The Council agreed to note the reports submitted to the Members' Library Service between 12 August and 13 October 2024, as listed in Appendix 1 to the report.

SUMMARY OF PROCEEDINGS – EXEMPT INFORMATION

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

Civic Amenity Site, Macmerry Industrial Estate

A private report submitted by the Executive Director for Place seeking determination of the future of the Civic Amenity Site at Macmerry Industrial Estate was approved.

Application for Common Good Funding

An application for funding from the Musselburgh Common Good Committee was approved, with Musselburgh and Inveresk Community Council being granted £64,407.13 to replace lighting, and associated works, at the Rennie and Roman bridges in Musselburgh.

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REPORT TO: East Lothian Council
MEETING DATE: 10 December 2024
BY: Executive Director for Council Resources
SUBJECT: Quarter 2 Financial Review 2024/25

2

1 PURPOSE

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

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
- Note the outcome of the Quarter 2 financial performance against approved budgets and the underlying financial pressures faced by the Council.
 - Note the additional funding received from the Scottish Government to meet specific policy initiatives.
 - Note the range of ongoing intervention measures approved by Council.
 - Note that financial review reports will continue to be reported to Council for scrutiny until the financial position improves.
 - Note the update on the wider financial environment and current risks.
 - Note the update on the Capital budget and Prudential and Treasury Indicators.

3 BACKGROUND

- 3.1 The Council continues to operate in the most difficult financial climate with increasing demand and cost pressures which are resulting in significant

financial pressures. The most significant of these relate to pressures relate to demand-led service areas particularly within Health and Social Care Services delegated to the IJB, Children's Services, and Homelessness. In addition, there remain pressures arising from the timing and delivery of planned financial savings.

- 3.2 As a reminder, the Quarter 1 report to Council noted a 2024/25 pressure of £8.8 million, and after the application of planned reserves the unplanned overspend was forecast to be £4 million. The Council continues to face a high number of significant financial and other risks, which may materialise over the remainder of the financial year, including grant funding for teacher numbers which could result in a pressure of up to £1.5 million. These significant risk areas will continue to be closely monitored.
- 3.3 Given the severity of the in-year financial position along with the risks to future financial sustainability, the Council approved a series of mitigation measures at the June 2024 meeting which the CMT is responsible for applying to manage the in-year financial pressures.
- 3.4 The significance of these pressures continues to be reflected in the Corporate Risk Register where "Managing the Financial Environment" remains the highest ever score risk being managed by the Council and continues to represent the key corporate priority risk.
- 3.5 Within this context, the Finance Service will continue to work with colleagues across services to manage expenditure commitments in 2024/25 and the future implications going forward.

General Services Revenue Summary – Quarter 2

- 3.6 An analysis of the financial position across service groups is set out in **Appendix 1** with further details in the paragraphs below.
- 3.7 At Quarter 2, before applying planned use of reserves and significant one-off mitigations, there is a slight reduction in the overspend in the previous forecast (Quarter 1 £8.8 million), with a forecast overspend at Quarter 2 now reported to be £8.5 million.
- 3.8 The reported financial position for Quarter 2 assumes that the cost of the pay award for all staff above 3.2% will be funded by the Scottish Government.
- 3.9 Within the agreed budget for 2024/25, the Council has planned used of general fund reserves of £1.830 million, and planned use of earmarked reserves totalling £1.540 million.
- 3.10 The planned use of earmarked reserves for one-off funding totals £1.540 million split as follows:
 - Planned use of Transformation Fund and other ring-fenced funds, £1.435 million

- Planned use of Health and Social Care (IJB delegated services), £105,000 – this figure has been agreed with the IJB Chief Financial Officer.
- 3.11 The Council has received a VAT rebate of £1.4 million in relation to sports and leisure non-business going back several years. This claim was lodged in 2011 and was dependent on the completion of several court cases before being confirmed. This is a one-off benefit which will reduce the in-year budget pressure on a non-recurring basis.
- 3.12 Taking the planned use of reserves into account, the unplanned use of reserves is £3.7 million (Quarter 1 - £4.0 million).
- 3.13 The main pressures are:
- IJB Projected overspend, £2.8 million –the forecast overspend is due to pressures in Commissioned Care Services, specifically External Care Homes and Support Services, as well as delays to delivering some of the planned savings within the timescales reflected in the budget. The forecast overspend is around £400,000 less than the Quarter 1 projection due to some reduction in commissioned care commitments, staffing vacancies and the earlier closure of the Abbey. Active consideration of measures to mitigate the remaining financial pressures are ongoing. The forecast overspend includes the elements relating to IJB budgets which it may be necessary for the Council to meet through additional contributions, if the overspend cannot be mitigated. In light of the IJB’s decision to commit all of its remaining reserves to non-delegated Council services, this remains a very significant risk to the Council’s financial position.
 - Children’s Services projected overspend, £2.6 million – relating to external residential pressures. Work is ongoing to identify options in East Lothian for clients in external settings who could be brought back safely to the area. This projected overspend is £800,000 higher than Quarter 1 due to an increased number of residential care packages and increases in care requirements of some existing clients in residential settings.
 - Savings assessed as unachievable in 2024/25, £2 million – this is a slight improvement from the Quarter 1 position (£2.1 million), see further information on progress on delivering efficiencies.
- 3.14 A large proportion of these pressures will be recurring beyond this financial year.
- 3.15 These pressures have been partially offset by:
- The VAT rebate, £1.4 million, noted in section 3.11.
 - Council tax income, £320,000 higher than forecast – this is due to an increasing in dwellings.

- Staffing underspends, £3 million – this is the net position after adjusting for the £2 million staff turnover savings and is due to vacancies. This position assumes that all costs associated with the pay award above 3.2% will be funded by the Scottish Government.
- 3.16 There remains a potential for increased underspends within Pre-School in Education Services. Finance have identified areas where spend to date is low compared to the current full-year projections. Finance is continuing to work with colleagues within Education to review and verify the financial information. This could potentially generate further savings in excess of £1 million that have not been reflected in the forecast position noted in this report.

Risks

- 3.17 There are several risks that may impact the financial position:
- Pay awards for 2024/25 have now been agreed with Trade Unions across all negotiating bodies. The current projections assume that all costs above 3.2% will be funded by the Scottish Government. Funding has now been confirmed for teachers' pensions, and probationer teachers and taken in totality are in line with modelling expectations. Additional Scottish Government for remaining additional pay costs have not yet been confirmed at Council level. Every additional 1% of non-funded pay will increase cost pressures to the Council by around £2 million.
 - Population growth and demographic change in East Lothian continue to pose significant ongoing challenges which are likely to remain and increase over the longer term based on current projections.
 - The forecast assumes £2.9 million of teacher funding that has not yet been confirmed by the Scottish Government. This consists of £2.9 million specific grant which is linked to maintaining teacher numbers. At this stage there has been no agreement between COSLA and the Scottish Government on the conditions relating to the grant being paid.
 - There remains a high risk that further children will need to be placed in external residential settings and should these materialise the pressure in Children's Services will increase.
 - There remains an increasing demand for homeless services and use of B&B accommodation, if this continues to grow then pressures in Homelessness will increase.
 - The forecast overspend assumes some slippage in the delivery of agreed savings, however there is a residual risk to the delivery of the remaining savings, with further information set out in section 3.20.
 - The 2023/24 accounts remain subject to audit, and any material changes to the outturn position could impact on the availability of reserves to support financial resilience.

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

Approved Mitigations

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

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

3.19 Furthermore, in line with the Council’s financial management procedures, financial recovery plans have been requested for areas that are overspending. These recovery plans and wider control measures will remain under close review and scrutiny throughout the financial year by the Executive Management Team. It is recognised that these control measures whilst necessary, must be aligned to the longer-term strategic direction of the organisation and therefore must remain under review.

2024/25 Efficiencies

3.20 At this stage, £3.555 million of the approved efficiencies have been achieved, £2.4 million are assessed as achievable but further work is required to realise the saving, and £1.95 million are assessed as achievable but not in the current year. **Appendix 2** sets out the position in more detail. The savings that are achievable in time but will not deliver savings this year are:

- Review of Adaptations, £275,000 – this saving cannot be delivered. A service review of Private Sector Housing Grant is being undertaken to identify options to deliver the savings from 2025/26.

- Charging for Garden Waste Collection, £57,000 – due to the timing of the introduction of the service, July 2024, a full year of income will not be achieved in 2024/25. Based on uptake, the full income target will be met in 2025/26.
 - Review of Management of Sports Facilities, £187,000 – work is ongoing to deliver this saving, but the timing means it will only be fully delivered in 2024/25.
 - Asset Review, £1 million – work is ongoing and in time savings that meet the target are expected to be delivered.
 - Income generation, £500,000 – it is not anticipated that this will be achieved during 2024/25; however, work is progressing to develop proposals, and should they be implemented then income will be generated in future years.
- 3.21 In addition to the above, there is an ongoing pressure of £300,000 linked to the non-delivery of a saving planned for 2023/24, to review public holidays. This remains under review.

Council Tax

- 3.22 At this stage, there is a forecast surplus in the Council Tax budget of £320,000. This is due to an increase in the number of dwellings at the start of the financial year.
- 3.23 The forecast also assumes a number of dwellings will be completed during the financial year and any changes to that will have an impact on the position.

Additional Scottish Government Funding

- 3.24 Since Council approved the 2024/25 budget in February 2023, there has been additional funding of £7.118 million from the Scottish Government. This is set out in more detail in **Appendix 3**.
- 3.25 Of the additional funding received, approximately £5m has been transferred to the IJB to fund the delivery of policy commitments within Health and Social Care. These funding streams are to support existing commitments or specific national policy objectives so they cannot help to offset wider pressures on the Council's financial position.
- 3.26 In addition, we have recently received notification that the Scottish Government has announced additional funding of £20 million for 2024/25 to support the Scottish Welfare Fund. We have yet to receive confirmation of the confirmed allocation for this Council, but this will help to alleviate the wider pressures being faced within the Scottish Welfare Fund. Alongside this, the revenues team has been working to help increase Pension Credit take up across East Lothian and enable those with eligibility to access the valuable Winter Fuel Payment this year.

Integrated Joint Board

- 3.27 The IJB has delegated authority over most of the Health and Social Care budget along with a small number of other budgets within Community Housing, the Housing Revenue Account and Housing Capital. The management of these resources remains in line with the scheme of integration and wider overall IJB resources.
- 3.28 At this stage, there is a £2.8 million pressure forecast for the IJB. The main reason for the pressure is forecast overspend on Adult Social Work and Learning Disability commissioned services, as well as delays to the delivery of agreed savings. These are demand led areas of service.
- 3.29 In addition to the wider financial recovery plans, the IJB Chief Officer has established a group to review progress with the service recovery plan and consider options to mitigate these pressures and reduce costs across the wider IJB operations. The Finance Service participates in supporting this work.
- 3.30 The £2.8 million forecast overspend represents a significant risk to the Council if the IJB is unable to offset these pressures from its own resources.

Financial Sustainability

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

General Services Capital Summary – Quarter 2

- 3.35 **Appendix 4** shows the approved and updated 2024/25 budgets and expenditure to 30 June 2024, showing spend of £38 million relative to the updated gross expenditure budget of £118 million.
- 3.36 Latest projections indicate expenditure of around £113 million by the end of the financial year. This forecast reflects a range of assumptions that are subject to change and may therefore have an impact on the actual position achieved at the end of the financial year. Whilst recognising the significance of the capital programme, there remains a wide range of external pressures which place significant pressure on wider affordability limits.
- 3.37 In addition to the normal RAG flags, a P flag has been included to identify projects where the variance is due to a change in spend profile, related to project progress.
- 3.38 Notable increases in projections relate to:
- Blindwells, Craighall and Whitecraig primary schools - construction work is ongoing and are on programme with expected construction completion in 2025/26. Due to the increased spend in 2023/24 and the reprofiling of budget into that financial year, the projected out-turn for 2024/25 is in line with the Hub construction cash flow estimate. This means a lesser budget requirement in future years compared to the 5-year approved programme; however, due to the timing of developer contributions associated with these projects, there is a pressure on the in-year borrowing requirement.
 - Cockenzie and Levelling Up – the change in projection matches the anticipated cash flow from the main contractor over 2024/25 and 2025/26.
- 3.39 The capital plan remains under close monitoring and review in conjunction with relevant managers.
- 3.40 The projection for developer contributions, early learning 1140 grant and other funding sources are directly linked to the projections of the projects they support. The town centre regeneration grant for 2024/25 was confirmed at a level much lower than the indicative multi-year allocation under the Place Based Investment Programme. Funding for Nature Restoration has also been reduced. There continues to be ongoing risks around the timing and realisation of planned developer contributions that is demonstrated by the increase in in-year borrowing requirements and this position will continue to be closely monitored.
- 3.41 Although the projected expenditure increased by £600,000, due to the timing of external funding, the in-year borrowing requirement projection has increased by £4.5 million.

Treasury Update

- 3.42 In accordance with the updated Prudential and Treasury codes of practice, in addition to the mid-year and year end reporting on Treasury activity and reporting of Prudential and Treasury indicators to Audit and Governance Committee, quarterly reporting on Treasury activity is required.
- 3.43 During the second quarter of the financial year, the following external borrowing was undertaken:

Lender	Principal £000	Type	Interest Rate %	Loan Term (Years)
PWLB	15,000	Equal Instalments of Principal (EIP)	4.37	11
PWLB	10,000	Equal Instalments of Principal (EIP)	3.97	11
PWLB	15,000	Equal Instalments of Principal (EIP)	4.83	2.5
Total	35,000			

The following external borrowing was repaid during this timeframe.

Lender	Principal £000	Type	Interest Rate %	Loan Term (Years)	Date Repaid
PWLB	3,500	Fixed Rate Maturity	4.37	11	21/09/24
PWLB	3,500	Fixed Rate Maturity	3.97	11	24/09/24
PWLB	639	Fixed Rate Maturity	4.83	2.5	28/09/24
Total	7,639				

- 3.44 It is important to note that the borrowing requirement as reported in the General Services and Housing Revenue Account (HRA) capital monitoring is borrowing from the loans fund. The capital-financing requirement (CFR) shown in **Appendix 5** under items 1.2 and 1.3 is the financing still required after relevant grants and receipts have been applied, to fund the capital programme. This is known as the borrowing requirement. Loans Fund borrowing is then funded by external borrowing and the use of working capital. As this utilises the cash balances held by the Council, cash flow monitoring is an important part of the Treasury function and is a factor in

determining the timing of external borrowing. Actual external debt is shown in item 2.3 and the Loans Fund debt is shown in item 3.

3.45 The Prudential, Treasury Management and Loans Fund indicators are set out in **Appendix 5**. For context, the 2023/24 Actual and 2024/25 Budget as per the approved Treasury Strategy as well as the projections for 2024/25 based on the Quarter 2 position for General Services and HRA capital are shown.

3.46 Key points to note from the figures in the Appendix:

- The budget figures for 2024/25 were set based on in-year 2023/24 capital projections. The actual outturn was lower meaning the starting point for 2024/25 was also lower. General Services capital spend projection at Quarter 2 is lower than budget as is the Capital Financing Requirement (CFR). HRA capital spend projection at Quarter 2 and CFR is also lower.
- The CFR will only start to fall when loans fund principal repayments are greater than the in-year borrowing requirement.
- The Loans Fund follows the same pattern as the CFR. Due to the projected capital expenditure, loans fund advances are increasing above the principal repayment of loans fund debt.

3.47 Cash balances are actively monitored and managed. As investment rates have been higher than the interest rate on the Council's bank account balance, several short-term investments were placed during Quarter 2. In summary:

- 42 short-term investments placed
- Maturity range, one day to three months
 - 33 investments with HM Treasury (one to mature in the third quarter)
 - Three investments with Lloyds Bank (one to mature in the third quarter)
 - One sustainable investment (to mature in the third quarter)
 - Five investments with local authorities (four to mature in the third quarter)

3.48 Cash flow continues to be closely monitored to ensure the Council has sufficient cash resources to meet ongoing requirements.

Housing Revenue Account Summary – Quarter 2

3.49 The HRA is expected to break even at this stage. Voids remain high and work is ongoing to remedy this. Ongoing efforts to improve this position including enhanced contract management, investment in overtime to clear

backlogs, measures to overcome challenges in relation to utilities and development of a performance management framework to monitor have resulted in an improvement in turnover times for void properties.

- 3.50 The budget is coming under pressure from reduced Scottish Government grants for new build council housing and work is ongoing to ensure the HRA strategy remains viable. **Appendix 6** sets out the revenue spend for the year.
- 3.51 Looking ahead, in order to meet the two key tests in the financial strategy, a £1 million minimum HRA balance and a debt-to-income ratio below 40%, adhering to the 5% rent strategy as a minimum is essential in order to maintain the proposed capital investment in modernising properties and building new council houses. The 10-year model is under regular review, and the longer-term strategy continues to be an area of focus.
- 3.52 Capital spend at Quarter 2 was just over £12 million with just over £29 million of spend forecast for the year. This is slightly lower than the £31 million approved budget and the underspend is due to slippage in the start date of a new council housing site. Further detail is set out in **Appendix 7**.
- 3.53 There remain significant challenges in delivering the programme due a number of factors including the removal of subsidy, shortage of labour resources, uncertainty in the housing market due to the current economic situation and challenges in awarding and mobilisation of contracts.

Pressures, Risks, and Impact on Future Years Budgets

Pay Award

- 3.54 As noted earlier in the report, the projections assume that additional Scottish Government funding for pay will cover costs above 3.2%.

General Inflation

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

Interest Rates

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

Increased Demand for Services

- 3.57 With population growth and increasing need among other factors, demand for Council services continues to increase and this will potentially put

budgets under further pressure, and this continues to be a significant area of risk for the Council.

Conclusion

- 3.58 The Council continues to operate in a challenging, complex, and ever-changing financial environment. There is an overspend of £8.5 million in General Services revenue before applying mitigations much of it recurring. The affordability of the capital programme is also uncertain as material and contract costs increase and the cost of borrowing remains high. To help manage the financial position, it is critical to maintain any areas of underspend, enhanced vacancy management continues, and further flexibilities and mitigations are identified.

4 POLICY IMPLICATIONS

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

5 INTEGRATED IMPACT ASSESSMENT

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

6 RESOURCE IMPLICATIONS

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

7 BACKGROUND PAPERS

- 7.1 Council – 12 December 2023 – Item 3 – Financial & Capital Strategies 2024-29
- 7.2 Council – 20 February 2024 – Item 2 – Budget Development including the setting of Council Tax and Council Housing Rent for 2024/25
- 7.3 Council – 20 February 2024 – Item 2a – Rent Proposals 2024/25 to 2028/29
- 7.4 Council – 20 February 2024 – Item 2b (i) – Budget Proposals on General Services Capital
- 7.5 Council – 20 February 2024 – Item 2b (ii) – Budget Proposals on General Services Revenue

- 7.6 Council – 20 February 2024 – Item 2b (iii) – General Fund Budget Projections
- 7.7 Council – 20 February 2024 – Item 3 – Treasury Management Strategy
- 7.8 Council – 27 August 2024 – Item 3 – Quarter 1 Financial Review 2024/25
- 7.9 Council – 29 October 2024 – Item 2 – Finance Update

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

Service	Head of Service	Business Unit	2024/25 Budget £'000	Year to Date			2024/25 Budget Variance to Date %	Financial Risk Assessment
				2024/25 Actual to Date £'000	2024/25 Budget to Date £'000	2024/25 Budget Variance to Date £'000		
Education & Children's	Children's	Performance & Service Delivery	1,382	590	658	-68	-10.33%	
Education & Children's	Children's	Management	4,603	2,769	1,349	1,420	105.26%	
Education & Children's	Children's	Assessment HUB and Early Interventions	2,347	1,083	1,174	-91	-7.75%	
Education & Children's	Children's	Long Term Social Work Supervisory Groups	3,288	1,579	1,572	7	0.45%	
Education & Children's	Children's	TAC, Disability & Resources	8,185	3,604	3,682	-78	-2.12%	
Education & Children's	Children's	Disability Short Breaks	768	555	412	143	34.71%	
EDUCATION & CHILDREN'S	CHILDREN'S TOTAL		20,573	10,180	8,847	1,333	15.07%	
Education & Children's	Education	Inclusion & Wellbeing	13,409	9,663	9,492	171	1.80%	
Education & Children's	Education	Pre-School Education	16,575	13,166	13,234	-68	-0.51%	
Education & Children's	Education	Primary Schools	57,284	18,452	19,264	-812	-4.22%	
Education & Children's	Education	Secondary Schools	59,501	21,542	21,805	-263	-1.21%	
Education & Children's	Education	Schools' Support	3,790	2,152	2,191	-39	-1.78%	
Education & Children's	Education	East Lothian Works	1,326	418	444	-26	-5.86%	
EDUCATION & CHILDREN'S	EDUCATION TOTAL		151,885	65,393	66,430	-1,037	-1.56%	
EDUCATION & CHILDREN'S TOTAL			172,458	75,573	75,277	296	0.39%	
Council Resources	Finance	Financial Services	3,761	591	671	-80	-11.92%	
Council Resources	Finance	Revenues & Financial Support	4,568	2,633	2,520	113	4.48%	
Council Resources	Finance	Procurement	1,230	609	678	-69	-10.18%	
COUNCIL RESOURCES	FINANCE TOTAL		9,559	3,833	3,869	-36	-0.93%	
Council Resources	Corporate	IT Services	3,547	1,736	1,715	21	1.22%	
Council Resources	Corporate	People & Council Support	4,605	2,809	2,945	-136	-4.62%	
Council Resources	Corporate	Governance	2,379	648	713	-65	-9.12%	
Council Resources	Corporate	Communications	446	225	247	-22	-8.91%	
COUNCIL RESOURCES	CORPORATE TOTAL		10,977	5,418	5,620	-202	-3.59%	
COUNCIL RESOURCES TOTAL			20,536	9,251	9,489	-238	-2.51%	
Health & Social Care Partnership	Head of Operations	Adult Social Work	31,625	14,238	13,676	562	4.11%	
Health & Social Care Partnership	Head of Operations	Acute & Ongoing Care	10,590	6,021	5,856	165	2.82%	
Health & Social Care Partnership	Head of Operations	Rehabilitation	2,154	1,185	1,211	-26	-2.15%	
Health & Social Care Partnership	Head of Operations	Learning Disability & MH Community Services	19,268	9,084	8,277	807	9.75%	
Health & Social Care Partnership	Head of Operations	Head of Operations	5,083	3,472	3,475	-3	-0.09%	
Health & Social Care Partnership	Head of Operations	Business & Performance IJB	4,822	2,790	2,948	-158	-5.36%	
HEALTH & SOCIAL CARE PARTNERSHIP	IJB TOTAL		73,542	36,790	35,443	1,347	3.80%	
Health & Social Care Partnership	Head of Operations	Non-IJB	540	583	385	198	51.43%	
HEALTH & SOCIAL CARE PARTNERSHIP	Non-IJB TOTAL		540	583	385	198	51.43%	
HEALTH & SOCIAL CARE PARTNERSHIP TOTAL			74,082	37,373	35,828	1,545	4.31%	
Place	Development	Planning & Environmental Services	1,103	42	165	-123	-74.55%	
Place	Development	Economic Development	854	370	376	-6	-1.60%	
PLACE	DEVELOPMENT TOTAL		1,957	412	541	-129	-23.84%	
Place	Housing	Housing, Strategy & Development	284	403	510	-107	-20.98%	
Place	Housing	Property Maintenance Trading Account	-1,153	833	833	0	0.00%	
Place	Housing	Community Housing Group	2,776	162	-49	211	430.61%	
PLACE	HOUSING TOTAL		1,907	1,398	1,294	104	8.04%	
Place	Infrastructure	Asset Maintenance & Engineering Services	3,517	2,535	2,435	100	4.11%	
Place	Infrastructure	Strategic Asset & Capital Plan Management	-1,233	890	1,072	-182	-16.98%	
Place	Infrastructure	Facility Trading Activity	-428	-471	-471	0	0.00%	
Place	Infrastructure	Facility Support Services	4,227	1,338	1,344	-6	-0.45%	
Place	Infrastructure	Landscape & Countryside Management	6,288	3,036	3,045	-9	-0.30%	
Place	Infrastructure	Active Business Unit	3,799	1,379	1,305	74	5.67%	
Place	Infrastructure	Roads Network	4,138	1,956	1,750	206	11.77%	
Place	Infrastructure	Roads Trading Activity	-670	46	31	15	48.39%	
Place	Infrastructure	Transportation	2,237	1,136	1,243	-107	-8.61%	
Place	Infrastructure	Waste Services	9,609	3,157	3,062	95	3.10%	
PLACE	INFRASTRUCTURE TOTAL		31,484	15,002	14,816	186	1.26%	
Place	Communities & Partnerships	Connected Communities	6,279	2,834	2,939	-105	-3.57%	
Place	Communities & Partnerships	Protective Services	2,083	777	830	-53	-6.39%	
Place	Communities & Partnerships	Customer Services Group	4,514	1,954	1,997	-43	-2.15%	
PLACE	COMMUNITIES & PARTNERSHIPS TOTAL		12,876	5,565	5,766	-201	-3.49%	
PLACE TOTAL			48,224	22,377	22,417	-40	-0.18%	
SERVICE TOTAL			315,300	144,574	143,011	1,563	1.09%	
Non-Service Expenditure Sub-Total			14,278	2,389	2,467	-78	-3.16%	
Total Expenditure			329,578	146,963	145,478	1,485	1.02%	
Funded By Sub-Total			-326,643	-187,501	-187,092	-409	-0.22%	
Net Expenditure			2,935	-40,538	-41,614	1,076	2.59%	
Reserves Funding Sub-Total			-2,935	0	-553	553	100.00%	
TOTAL			0	-40,538	-42,167	1,629	3.86%	

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

Service	2024/25			
	Achieved	Amber	Unachievable	
	£'000	£'000	£'000	
Education	396	134	0	
Finance	630	0	0	
Corporate Services	38	0	0	
Development	120	0	0	
Housing	48	0	275	
Infrastructure	1,260	1,311	500	
Communities	1,063	50	0	
Non Service Expenditure	0	2,100	0	
Total	3,555	3,595	775	7,925
	44.86%	45.36%	9.78%	

Savings Currently Unachievable - Red

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

Appendix 3

East Lothian Council

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

	£million
2024/25 GRG (per Budget Amendment)	238.012
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Additional Funding - GRG	
<hr/>	
Early Learning £12 per hour funding	0.350
Social Care £12 per hour funding	4.995
Other	0.045
Additional GRG for 2024/25 Settlement	1.217
Employability Child Poverty Co-ordinators	0.066
Council Tax Freeze (£3.4m built into approved budget)	0.004
2023/24 Local Government Pay Offer	0.403
Scottish School Milk Subsidy Scheme	0.023
Sustained Temporary Accommodation Pressures	0.015
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Total Additional Funding	7.118
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Revised GRG	245.130
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Appendix 4

East Lothian Council

General Services Capital Budget Monitoring Summary 2024/25

Quarter 2

	RAG	Approved Budget	Updated Budget	Actual	Updated Budget-Actual Variance	Projected Outturn	Updated Budget - Outturn Variance	Previously reported Outturn to Council	Projected Outturn to Previously Reported Variance
Expenditure		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Community Projects									
Community Intervention	G	300	300		(300)	300	0	300	0
Community Intervention Fund - Pump Tracks	G	475	475		(475)	398	(77)	238	161
Community Public Art	G	160	160	24	(136)	170	10	160	10
Bleachingfield Centre Remodelling Works	G	100	100	1	(100)	105	5	100	5
Dunbar Conservation Area Regeneration Scheme (CARS)	P	355	760		(760)	200	(560)	760	(560)
East Saltoun Community Hall	-	0	0		0		0		0
North Berwick Skatepark	G	0	13		(13)	13	0	13	0
Support for Business	G	0	0	5	5	5	5	1	5
Fisherrow - spend to save project	G	225	250	250	0	250	0	250	0
CCTV	P	123	219	8	(212)	8	(212)	219	(212)
Town Centre Regeneration	A	514	937	268	(669)	558	(379)	937	(379)
Total Community Projects		2,253	3,215	555	(2,660)	2,007	(1,208)	2,978	(971)
Town Centre Regeneration (PBIP) Grant		(500)	(820)		820	(470)	350	(820)	350
Other Funding Sources		(805)	(1,276)		1,276	(861)	415	(1,151)	290
GCG REFCUS					0		0	0	0
Total Income: Community Projects		(1,305)	(2,096)	0	2,096	(1,331)	765	(1,971)	640
Community Projects - General Capital Grant/Borrowing Requirement		948	1,119	555	(564)	676	(443)	1,007	(331)
ICT									
IT Programme & Digital Opportunities	G	2,200	2,400	1,133	(1,267)	2,400	0	2,400	0
Telecare System upgrade to Digital	-	0	0	0	0	0	0	0	0
Total ICT		2,200	2,400	1,133	(1,267)	2,400	0	2,400	0
Other Funding Sources		0	0		0	0	0	0	0
Total Income: ICT		0	0	0	0	0	0	0	0
ICT - General Capital Grant/Borrowing Requirement		2,200	2,400		(1,267)	2,400	0	2,400	0
Fleet									
Amenties - Machinery & Equipment - replacement	G	200	169	149	(20)	169	0	169	0
Vehicles	G	4,611	4,611	1,023	(3,588)	4,611	0	4,611	0
Total Fleet		4,811	4,780	1,173	(3,607)	4,780	0	4,780	0
Other Funding Sources		0	0		0	0	0	0	0
Total Income: Fleet		0	0	0	0	0	0	0	0
Fleet - General Capital Grant/Borrowing Requirement		4,811	4,780		(3,607)	4,780	0	4,780	0
Open Space									
Synthetic Pitch Replacement Programme	G	157	230	337	107	324	95	289	35
Cemeteries (Burial Grounds)	G	637	911	575	(336)	911	(0)	911	0
River Tyne / Haddington Flood Protection scheme	-	0	0	0	0	0	0	0	0
Coastal / Flood Protection schemes - Musselburgh	G	2,050	1,904	484	(1,420)	1,581	(323)	1,581	(0)
Coastal Change Management	G	85	85	0	(85)	40	(45)	85	(45)
Coastal Car Park Toilets	G	256	262	0	(262)	298	36	262	36
Core Path Plan	G	50	100	0	(100)	100	0	100	0
Harbour Walls	G	600	600	112	(488)	367	(233)	600	(233)
Mains Farm Town Park & Pavilion	-	0	0	0	0	0	0	0	0
Nature Restoration	G	0	59	1	(58)	59	0	168	(109)
Replacement Play Equipment	G	327	459	80	(380)	427	(33)	459	(32)
Polson Park	P	160	160	0	(160)	20	(140)	160	(140)
Sports and Recreation LDP	P	3,026	3,182	244	(2,938)	1,849	(1,333)	2,583	(734)
Street litter bin replacement	G	40	40	0	(40)	40	0	40	0
Waste - New Bins	G	160	160	172	12	181	21	160	21
Waste - Machinery & Equipment - replacement	G	40	40	19	(21)	19	(21)	40	(21)
Total Open Space		7,588	8,191	2,023	(6,169)	6,215	(1,976)	7,438	(1,223)
Developer Contribution		(2,457)	(2,656)		2,656	(1,786)	870	(2,057)	271
Capital Receipts		(350)	(350)		350	(345)	5	(345)	0
Other Funding Sources		(1,594)	(1,467)		1,467	(1,011)	456	(1,468)	457
Total Income: Open Space		(4,401)	(4,474)	0	4,474	(3,142)	1,332	(3,870)	728
Open Space - General Capital Grant/Borrowing Requirement		3,187	3,718		(1,695)	3,073	(645)	3,568	(495)
Roads, Lighting and related assets									
Cycling Walking Safer Streets	G	478	478	308	(170)	835	357	835	0
East Linton Rail Stop / Infrastructure	-	0	0	0	0	0	0	0	0
Parking Improvements	G	330	559	1	(558)	296	(263)	296	(0)
Roads	G	5,500	5,500	1,911	(3,589)	5,500	0	5,500	0
Roads - Externally Funded Projects	G	8,462	8,462	4,768	(3,694)	8,462	0	8,462	0
Total Roads, Lighting and related assets		14,770	14,999	6,987	(8,011)	15,093	94	15,093	(0)
Developer Contribution		0	0		0	0	0	0	0
Other Funding Sources		(8,940)	(8,940)		8,940	(9,297)	(357)	(9,297)	(0)
Total Income: Roads, Lighting and related assets		(8,940)	(8,940)	0	8,940	(9,297)	(357)	(9,297)	(0)
Roads etc. - General Capital Grant/Borrowing Requirement		5,830	6,059		929	5,796	(263)	5,796	(0)
Property - Education									
Aberlady Primary - extension	P	2,289	2,328	12	(2,316)	335	(1,993)	750	(415)
Blindwells Primary - new school	P	19,453	17,975	10,853	(7,122)	19,702	1,727	17,975	1,727
Craighall Primary - New School	P	19,217	17,107	5,223	(11,884)	19,101	1,994	17,107	1,994
East Linton Primary - new school	-	0	0	0	0	0	0	0	0
Free School Meals Expansion to P6-7	G	0	17	0	(17)	17	0	17	0
Gullane Primary - extension including Early Learning and 1140	G	0	0	(390)	(390)	0	0	0	0
Knox Academy Extension	G	50	50	0	(50)	52	2	0	52
Law Primary - extension including Early Learning and 1140	G	67	622	112	(510)	143	(479)	170	(27)
Letham Primary - New School	G	0	42	17	(25)	17	(25)	17	0
North Berwick High School - Extension	G	450	688	251	(437)	688	(1)	688	(1)
Ormiston Primary - extension	G	0	82	2	(79)	82	0	82	0
Pinkie St Peter's Primary - sports hall extension	G	505	556	4	(551)	282	(273)	320	(38)
Pinkie St Peter's Primary - extension including Early Learning and 1140	G	279	449	19	(431)	115	(334)	0	115

Appendix 4

East Lothian Council

General Services Capital Budget Monitoring Summary 2024/25

Quarter 2

	RAG	Approved Budget	Updated Budget	Actual	Updated Budget-Actual Variance	Projected Outturn	Updated Budget - Outturn Variance	Previously reported Outturn to Council	Projected Outturn to Previously Reported Variance
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure									
Preston Lodge High School - extension (phase 1)	G	0	0	0	0	0	0	0	0
Prestonpans Primary - upgrades	P	243	243	0	(243)	0	(243)	243	(243)
Ross High School - extension	G	0	0	6	6	15	15	25	(10)
School Estate - Curriculum Upgrades	G	1,045	1,083	0	(1,083)	1,083	0	1,083	0
St Gabriel's Primary - extension including Early Learning and 1140	G	0	0	0	0	3	3	0	3
Wallyford Primary - New School	G	108	108	12	(96)	17	(91)	12	5
Wallyford Learning Campus	A	1,001	1,101	333	(768)	1,412	311	1,101	311
West Barns Primary - extension including Early Learning and 1140	G	46	37	0	(37)	0	(37)	10	(10)
Whitecraig Primary - new school including Early Learning and 1140	P	16,058	15,755	3,561	(12,194)	16,058	303	15,755	303
Windygoul Primary - Early learning and 1140 extension	G	150	133	0	(133)	0	(133)	0	0
Total Property - Education		60,962	58,376	20,016	(38,360)	59,121	745	55,354	3,767
Developer Contribution		(12,184)	(8,869)		8,869	(8,270)	599	(8,616)	346
Developer Contribution (Post completion)		(14)	(14)		14	0	14	0	0
1140 Grant Income		(167)	(144)		144	0	144	(17)	17
Other Funding Sources			0		0	0	0	0	0
Total Income: Property - Education		(12,365)	(9,028)		9,028	(8,270)	758	(8,633)	363
Property Education - General Capital Grant/Borrowing Requirement		48,597	49,348		(29,332)	50,852	1,503	46,722	4,130
Property - Other									
Accelerating Growth		14,853	15,582	4,632	(10,949)	15,348	(234)	16,370	(1,021)
- Cockenzie	P	0	507	567	60	4,964	4,457	5,667	(703)
- Levelling Up Project Cockenzie	P	10,978	11,164	978	(10,186)	5,669	(5,495)	6,790	(1,121)
- Blindwells	G	0	35	21	(14)	35	0	35	0
- Innovation Hub	G	3,876	3,876	3,060	(816)	4,670	794	3,876	794
- A1/QMU Junction	G	0	0	6	6	10	10	2	8
Brunton Hall - Improved Community Access	-	0	0	0	0	0	0	0	0
Court Accommodation - incl. SPOC	P	820	952	173	(779)	874	(79)	952	(79)
Loch Centre Tranent - Major Refurbishment Works	G	721	721	0	(721)	721	0	721	0
New ways of working Programme	P	988	1,548	15	(1,533)	467	(1,081)	500	(33)
Prestonrange Museum	P	1,599	1,746	4	(1,741)	1,375	(371)	1,000	375
Property Renewals	G	2,000	2,000	1,152	(848)	2,000	0	2,000	0
Replacement Childrens House	P	867	867	0	(867)	0	(867)	200	(200)
Sports Centres	G	240	240	247	7	240	0	240	0
Whitecraig Community Centre	G	0	49	0	(49)	49	0	49	0
Total Property - Other		22,088	23,704	6,224	(17,479)	21,074	(2,630)	22,031	(958)
Developer Contribution		0	0		0	0	0	-	0
Developer Contribution (Post completion)		0	0		0	0	0	-	0
Capital receipts		(1,098)	(1,590)		1,590	#VALUE!	#VALUE!	#VALUE!	#VALUE!
TCR		(150)	(304)		304	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Other Funding Sources		(10,228)	(10,613)		10,613	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Total Income: Property - Other		(11,476)	(12,507)		12,507	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Property Other - General Capital Grant/Borrowing Requirement		10,612	11,197		(4,972)	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Total Property Spend - Education and Other		83,050	82,080	26,241	(55,839)	80,195	(1,885)	77,386	2,809
Total Income: Property - Education and Other		(23,841)	(21,535)		21,535	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Property-Education and Other - General Capital Grant/Borrowing Requirement		59,209	60,545		(34,304)	#VALUE!	#VALUE!	#VALUE!	#VALUE!
Capital Plan Fees	G	2,524	2,524	5	(2,519)	2,524	0	2,524	0
PPP Projects	G	0	0		0	0	0	0	0
Total Gross Expenditure		117,196	118,189	38,116	(80,072)	113,214	(4,975)	112,599	615
Other Funding Sources		0	0		0	0	0	0	0
Total Income:PPP Projects		0	0		0	0	0	0	0
Income									
Developer Contribution	P	(14,640)	(11,525)			(10,055)	1,470	(10,673)	617
Developer Contribution (Post completion)	G	(14)	(14)			0	14	0	0
1140 Grant Income	P	(167)	(144)			0	144	(17)	17
Town Centre Regeneration (PBIP) Grant	A	(650)	(1,124)			(774)	349	(1,124)	349
Capital receipts	G	(4,448)	(4,940)			(8,065)	(3,125)	(8,247)	182
Other Funding Sources	G	(21,567)	(22,297)			(17,117)	5,180	(19,318)	2,201
GCG REFUCUS						0	0	0	0
Scottish Government General Capital Grant	G	(24,877)	(24,877)			(26,486)	(1,609)	(26,486)	0
Total Income		(66,364)	(64,921)			(62,497)	2,424	(65,864)	3,367
Borrowing Requirement	A	50,831	53,267			50,716	(2,551)	46,735	3,982

Actual as % of Approved Budget

33%

Actual as % of Updated Budget

32%

Actual as % of Projected Outturn

34%

Appendix 5
Prudential and Treasury Indicators 2024/25
Quarter 2

1 PRUDENTIAL INDICATORS	2023-24	2024-25	2024-25	2024-25	2024-25
	Actual £'000	Budget £'000	Q2 Projection £'000	Q1 Projection £'000	change £'000
1.1 Capital Expenditure					
General Services	52,087	117,196	113,220	116,972	(3,752)
HRA	42,849	31,579	29,321	31,645	(2,324)
TOTAL	94,936	148,775	142,541	148,617	(6,076)
1.2 Capital Financing Requirement (CFR) – General Services					
brought forward 1 April	295,377	321,667	313,376	313,376	0
carried forward 31 March	313,376	365,070	356,847	352,581	4,266
In year borrowing requirement	17,999	43,403	43,471	39,205	4,266
1.3 Capital Financing Requirement (CFR) - HRA					
brought forward 1 April	240,066	267,835	265,745	265,745	0
carried forward 31 March	265,745	291,180	286,051	288,375	(2,324)
In year borrowing requirement	25,679	23,345	20,306	22,630	(2,324)
1.4 Total CFR excluding PPP and leases					
General Services	313,376	365,070	356,847	352,581	4,266
HRA	265,745	291,180	286,051	288,375	(2,324)
TOTAL	579,121	656,250	642,898	640,956	1,942
1.5 Annual Change in CFR					
General Services	17,999	43,403	43,471	39,205	4,266
HRA	25,679	23,345	20,306	22,630	(2,324)
TOTAL	43,679	66,748	63,777	61,835	1,942
1.6 Ratio of financing costs to net revenue stream					
General Services	4.26%	5.57%	5.24%	5.33%	-0.09%
HRA	33.13%	36.24%	35.20%	36.02%	-0.82%
1.7 Impact of Capital Investment Decisions					
General Services – Debt per Band D equivalent	£5,118	£5,940	£5,807	£5,737	69
HRA – Debt per dwelling	£28,389	£31,112	£30,312	£30,558	(246)

2 TREASURY MANAGEMENT INDICATORS	2023-24	2024-25	2024-25	2024-25	2024-25
	Actual £'000	Budget £'000	Q2 Projection £'000	Q1 Projection £'000	change £'000
2.1 Authorised Limit for External Debt -					
Borrowing at 31 March	636,000	726,000	727,000	732,000	(5,000)
Other long term liabilities (PPP and Leases)	31,000	30,000	30,000	30,000	0
Total	667,000	756,000	757,000	762,000	(5,000)
2.2 Operational Boundary for External Debt -					
Borrowing at 31 March	594,352	656,249	659,202	657,260	1,942
Other long term liabilities (PPP and Leases)	30,688	29,104	29,105	29,105	0
Total	625,040	685,354	688,307	686,365	1,942
2.3 Actual External Debt					
Borrowing at 31 March	493,789	558,885	566,792	550,901	15,890
Other long term liabilities (PPP and Leases)	30,688	29,104	29,105	29,105	0
Total	524,477	587,989	595,897	580,006	15,890

3 LOANS FUND	2023-24	2024-25	2024-25	2024-25	2024-25
	Actual £'000	Budget £'000	Q2 Projection £'000	Q1 Projection £'000	change £'000
3.1 General Services					
Opening balance	295,377	321,667	313,376	313,376	0
Add advances	22,327	50,546	50,279	45,928	4,351
Less repayments	(4,328)	(7,143)	(6,807)	(6,723)	(84)
Closing balance	313,376	365,070	356,848	352,581	4,267
3.2 HRA					
Opening balance	240,066	267,835	265,745	265,745	0
Add advances	31,061	29,183	26,137	28,461	(2,324)
Less repayments	(5,382)	(5,838)	(5,831)	(5,831)	0
Closing balance	265,745	291,180	286,051	288,375	(2,324)
3.3 Total					
Opening balance	535,443	589,502	579,121	579,121	0
Add advances	53,389	79,729	76,416	74,389	2,027
Less repayments	(9,710)	(12,981)	(12,638)	(12,554)	(84)
Closing balance	579,121	656,250	642,899	640,956	1,943

Appendix 6
 East Lothian Council
 Budget Monitoring HRA 2024/25 - Quarter 2

	2024/25 Budget £'000	2024/25 Actual to Date £'000	2024/25 Budget to Date £'000	2024/25 Budget Variance to Date £'000	2024/25 Forecast £'000	2024/25 Forecast Variance £'000
Total Income	-40,854	-20,381	-20,424	43	-40,900	-46
Total Expenditure	38,150	12,985	12,997	-12	38,196	46
(Surplus) / Deficit for Year	-2,704	-7,396	-7,427	31	-2,704	0

	2024/25 Budget £'000	2024/25 Forecast £'000	2024/25 Forecast Variance £'000
Management of Balances			
Opening (Surplus) / Deficit	-1,535	-1,535	0
CFCR	2,200	2,200	0
(Surplus) / Deficit for Year	-2,704	-2,704	0
Closing (Surplus) / Deficit	-2,039	-2,039	0

Appendix 7
East Lothian Council
Budget Monitoring HRA Capital 2024/25 - Quarter 2

	2024/25 Budget	2024/25 Actual to Date	2024/25 Budget to Date	2024/25 Budget Variance to Date	2024/25 Forecast	2024/25 Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Modernisation	10,600	1,173	2,650	-1,477	11,114	514
Energy Efficiency Fund	2,500	159	625	-466	1,986	-514
New Council Housing	16,732	3,443	4,183	-740	14,472	-2,260
Fees	1,467	0	0	0	1,467	0
Mortgage to Rent	280	0	0	0	280	0
TOTAL	31,579	4,775	7,458	-2,683	29,319	-2,260

Funded By:

	2024/25 Budget	2024/25 Actual to Date	2024/25 Budget to Date	2024/25 Budget Variance to Date	2024/25 Forecast	2024/25 Forecast Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Grants	-632	-789	-632	-157	-789	-157
Grants MTR	-196	0	0	0	-196	0
CFCR	-2,200	0	0	0	-2,200	0
Borrowing	-28,551	-3,986	-6,826	2,840	-26,134	2,417
TOTAL	-31,579	-4,775	-7,458	2,683	-29,319	2,260

REPORT TO: East Lothian Council
MEETING DATE: 10 December 2024
BY: Executive Director for Council Resources
SUBJECT: Financial and Capital Strategies 2025-30

3

1 PURPOSE

- 1.1 To provide an update on the financial outlook facing this Council.
- 1.2 To provide an update on the budget development process which will inform the setting of budgets for 2025/26 onwards.
- 1.3 To seek approval for the 2025/26 to 2029/30 Financial and Capital Strategies attached as Appendices 1 and 2.

2 RECOMMENDATIONS

- 2.1 The Council is recommended to:
 - Note the financial outlook, budget projections and key assumptions for financial planning 2025/26 onwards set out within the Financial Strategy in Appendix 1 and summarised in the report.
 - Note the changes to the current approved strategy and approve the updated Financial Strategy for 2025/26 to 2029/30 set out in Appendix 1.
 - Note the changes to the current approved strategy and approve the updated Capital Strategy for 2025/26 to 2029/30 set out in Appendix 2.
 - Approve the budget development process set out in paragraph 3.12 which will inform the development of 2025/26 and future years budget proposals.

- Note that agreeing the process set out in paragraph 3.12 will mean that there will be no option to submit amendments to the budget papers after noon on 6 February, other than for the correction of errors.
- Agree to delegate authority to the Chief Financial Officer and Monitoring Officer, in discussion with Political Group Leaders to make any necessary changes to the timelines set out in paragraph 3.12.
- Note the indicative timetable for the parliamentary process for Scottish Government's 2025/26 budget, set out paragraph 3.18.
- Agree that any funding announced after 6 February 2025 will be held as contingency to offset budget risks and future year pressures in the first instance, with any subsequent decision to commit this funding being considered at a future Council meeting.

3 BACKGROUND

- 3.1 The Financial and Capital Strategies set the framework for deploying available resources to support Council priorities meet statutory responsibilities. It is important that these strategies are considered alongside one another to support a holistic approach to budget development.
- 3.2 Council approved the current five-year Financial and Capital Strategies on 12 December 2023. Although the strategies cover a five-year period, they are subject to an annual refresh to ensure that they remain appropriate and reflect any developments relevant to financial planning. More details setting out the key elements updated in the strategies are set out in the sections below.

Financial Outlook

- 3.3 Council continues to receive regular updates on the current and future financial outlook and the significant risk and uncertainty associated with this. Since the most recent finance update provided in October, the Chancellor has presented the Autumn Budget Statement, which set out increases in UK Public Spending and confirmed updated Block Grant funding totals for Scottish Government. On 4 December, Scottish Government will announce their 2025/26 budget. Given that this is not available at the time of writing the report, a verbal update will be provided at the Council meeting of any key messages emerging from this.
- 3.4 The amount of funding allocated to this Council will not be known until the draft local government finance settlement is published on 12 December. Although the recent budget statement provided additional funding consequential to the Scottish Government of £3.4 billion over 2024/25 and 2025/26, early indications suggest that a significant proportion of this

funding will need to be directed to support public sector pay awards, and the position beyond 2025/26 remains unclear.

- 3.5 The Financial Strategy document in Appendix 1 sets out the budget projections for the next five years and reflects an anticipated funding gap of £64.9 million over this period. This was reported to Council in August 2024 and Members are asked to note that these projections will be updated following receipt of the draft settlement.
- 3.6 It is currently unclear what spending choices will be made by the Scottish Government and the specific impact on the Council's finances for next year and beyond. However, it appears likely that pressure on public finances will remain alongside range of growing demands and pressures, which will mean some difficult choices in the years ahead in terms of developing sustainable services for our communities.

Financial and Capital Strategies

- 3.7 The Financial and Capital Strategies included as Appendices 1 and 2 cover the financial period 2025-30. These strategies have been updated to reflect any key areas which may change the current strategy and support the budget development process and have also been extended to cover the period until 2029/30.
- 3.8 The Council has already endorsed a strategy aligned to progressing with key themes which are set out below, and it is considered essential that the Council continues to work at pace and adopt policy which is aligned to these themes and focus on supporting the on-going sustainability. As a reminder these key themes are:
- Asset rationalisation and energy efficiency
 - Income generation
 - Transformation, service redesign and digitalisation
 - Service reductions
- 3.9 In June 2023, Council approved an updated reserves strategy which set out plans for utilising the council's limited reserves to support ongoing sustainability. As such, the current strategy has been updated to reflect the current position.
- 3.10 In addition, the Council must ensure that it continues to proactively lobby to ensure that the revenue and capital implications of a growing local economy are supported by both national governments, and the shared ambition and opportunities is not lost. The financial implications facing this Council in supporting this ambition have been well documented and remain a significant area of concern and challenge. The benefits and opportunities that this Council and national government can deliver through economic growth, particularly at a time when the national economic forecasts remain challenging is essential and includes: support and creation of jobs, economic regeneration, and increases to national

revenues through increased tax. This Council has taken responsible and appropriate decisions to support national housing land supply allocations, but the severity and scale of the financial implications aligned to delivering this must be supported. If it is simply left to the Council alone with no additional funding to meet these costs, then this will result in a major deterioration of essential local services or could simply put a halt on the growth ambition and meeting statutory housing obligations.

3.11 The key areas within both strategies that have been updated are set out below:

- Current economic context including further information arising from recent Autumn Budget Statement;
- Updated financial scenario planning and key assumptions setting out the projected revenue funding gap over the next five years;
- Updated reserves position and strategy aligned to the June Council position.
- Updated capital planning framework covering the five-year period to 2029/30.

Budget Development Process

3.12 The below process is recommended for development and approval of budgets for 2025/26 and if agreed will apply to both General Services and Housing Revenue Account (HRA) budgets:

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-setting meeting.

3.13 This represents a change to the process followed in previous years and will mean that all groups will have the opportunity to submit budget proposals, either individually or collectively as a cross party approach. The period between 31 January and 6 February is intended to enable Members to identify areas of commonality in draft budgets and explore opportunities to develop a cross party budget. It is recommended that Council agrees this approach.

- 3.14 Members are also asked to note that by agreeing this approach, the opportunity to submit formal amendments to proposed budgets for debate at the Council meeting will no longer be a feature of the budget-setting process. However, all groups will be entitled to submit proposals either individually or on a collaborative (cross-party) basis up to the 6 February.
- 3.15 Members may wish to submit alternative proposals for General Services budgets, HRA budgets or both. The HRA revenue and capital budget will be considered as a separate agenda item to the General Services revenue and capital budgets, and voting will consider the revenue and capital budgets together as a single item.
- 3.16 All proposals must have a seconder and must be considered competent by the Section 95 officer. Officers will continue to work with members to ensure that proposals meet the competency test in advance of the deadlines set out above. During the Council meeting on 18 February, members will be asked to vote for the budget they wish to support. The budget with the majority of votes will be passed and adopted by Council for 2025/26.
- 3.17 Members are reminded that it is a legal requirement for councils to set an annual budget and for that budget to be balanced (fully funded).

Scottish Government Budget Timetable

- 3.18 The draft local government finance settlement will be published on 12 December 2024. Provisional 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.

- 3.19 This timetable means that Council will agree the budget on the basis of the draft local government finance settlement and any subsequent announcements up to the 6 February. It is not advisable to delay the budget meeting beyond the 18 February due to the risk this poses to the annual billing process for council tax and rent collection. As has been seen in previous years, there is a possibility that funding will be announced in the later stages of the process. In the event that funding is announced subsequent to the 6 February 2024, it is recommended that this is held as contingency to offset risks within proposed budgets and pressures in future years. Any subsequent decision to commit funding announced in the later stages of the settlement could be considered at a future Council meeting.

4 POLICY IMPLICATIONS

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

5 INTEGRATED IMPACT ASSESSMENT

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

6 RESOURCE IMPLICATIONS

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

7 BACKGROUND PAPERS

- 7.1 Report to East Lothian Council on 27 August 2024 – Budget Development 2025/26 Onwards

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DATE	28 November 2024



Financial Strategy 2025-30

East Lothian Council

Contents

1. Introduction.....	2
2. Current economic context.....	4
3. Local context.....	6
4. General services revenue budget – medium term outlook	9
5. General services capital budget – medium term outlook.....	11
6. Reserves.....	15
7. General services financial strategy	19
8. Housing revenue account.....	22
9. Financial management	24
10. Risk management.....	26
11. UNCRC.....	26
12. Summary.....	26

1. Introduction

- 1.1 The Financial Strategy sets out the Council’s strategic approach to the management of its finances and outlines the wider context within which these plans have been developed. It links the priorities and ambitions outlined within the Council Plan with forecast resources and will be used as the framework for setting detailed budgets to ensure that these resources are effectively managed and allocated to enable the Council to meet its statutory responsibilities and deliver on key priorities.
- 1.2 This strategy covers the 5-year period from 2025/26 and has been developed in the context of the most challenging financial environment this council has ever faced. As one of the fastest growing councils in Scotland, there are increasing demands for our services which have not been met through real terms funding increases, leading to us becoming the Council with the third lowest level of per capita funding in Scotland. Like all public bodies, we have continued to see costs escalate as a result of high inflation and rising interest rates. The local authority sector continues to face significant uncertainty surrounding future funding settlements with economic instability and the prospect of a recession creating significant pressure on public finances. This is compounded by the wide range of concurrent risks including the turbulence within global economies and the cost-of-living crisis which are creating increasing pressure on Council services.
- 1.3 The Council currently receives a significant proportion of its funding from Scottish Government. The UK Government made its autumn statement announcement on 30 October 2024, and a multi-year spending review announcement covering the period between 2026 and 2030 is anticipated in spring 2025. The draft Scottish Government 2025/26 budget will be published on 4 December 2024 ahead of the draft local government finance settlement on 12 December. Similar to previous years, the national funding settlement will remain in draft until it passes through the parliamentary scrutiny process in the Scottish Parliament, with the final position unlikely to be confirmed until mid-February 2025. It is anticipated that this will be a one-year settlement covering 2025/26 only, which means that uncertainty will remain for the period beyond 2025/26. Given the acute pressure on public finances, it is likely that the gap between available resources and expenditure demands will not be met through external funding, meaning that the Council will need to find further ways to reduce its cost base, or grow its income streams.
- 1.4 The scale of the challenge facing the Council means that it will not be possible to close the budget gap through efficiencies alone, and it will now be necessary to think differently about how the Council interacts with and supports its residents, ensuring that scarce resources are directed to maximise impact and improve financial sustainability. The Council has adopted the below principles to guide the development of its budget strategy:
 1. Establishment of a cross party budget working group to oversee the development of detailed budget proposals and the different work streams supporting this.
 2. Commitment to developing an approach aligned to the financial strategy which combines a range of options to close the gap between available funding and

anticipated expenditure including an enhanced programme of transformation, asset review, income generation, cost reduction and efficiency.

3. A holistic approach to budget development, which recognises the relationship between capital and revenue planning and the role of investment in cost reduction strategies.
4. Commitment to minimising the use of one off resources to balance the budget and ensuring that use of reserves is limited to investment that will deliver ongoing cost reductions.
5. Ensuring alignment of financial planning and resources with wider strategic priorities, the Council Plan and consultation results.
6. Consideration of a 5-year budget plan aligned to the financial and capital strategies.

1.5 This strategy will support financial sustainability by:

- Outlining high level financial projections for 2025/26 to 2029/30 based on a range of key assumptions.
- Setting out the wider economic context and external factors which will impact financial planning and available resources.
- Ensuring that limited available resources are focused on delivery of the Council's approved key priorities and plans and their associated key outcomes.
- Providing a solid financial planning platform for the development of a sustainable revenue budget which will support the Council's key priorities.
- Documenting range of financial challenges and uncertainties facing the council, and setting out the approach for responding to these challenges,
- Defining the Council's approach to holding and utilising balances and reserves, ensuring that an appropriate balance between risk management and investment is achieved.
- Increasing both organisational awareness and wider community understanding of the Council's financial position and the challenges it is facing over the medium term in balancing and delivering against its budget.
- Identifying the key enablers to support the delivery of measures to reduce Council's net cost base.
- Supporting the acceleration of transformation programmes to reshape services around the resources available.

1.6 The strategy covers the financial planning period until 2029/30 for the General Services and Housing Revenue Account (HRA). This document should be read in conjunction with the Council's Capital Strategy which sets the framework for the Council's capital expenditure plans and the governance.

2. Current Economic Context

- 2.1 The Council continues to face exceptional financial challenges with external factors placing acute pressure on resources and the Council's capacity to balance its budget and set sustainable spending plans. Although inflation (CPI) has fallen to 2.3% at October after peaking at 10.7% in 2022, the ongoing impacts of this peak continue to impact on the costs of service delivery and capital investment. The cost of essential items like energy and food has also forced households and businesses to make difficult decisions to limit their spending, while public finances and government spending plans are also being squeezed.
- 2.2 The ongoing economic turbulence driven by global events in recent years including Russia's invasion of Ukraine, the ongoing effects of Brexit and the aftermath of the COVID-19 pandemic have created instability in the financial markets resulting in a rapid escalation of cost pressures facing the Council and increased demand for services.
- 2.3 The backdrop of high inflation has continued to influence public sector pay negotiations, with the 2024/25 settlement representing an overall increase in the pay bill of 4.27%. To support the 2024/25 pay settlement, Local Government is contributing funding equivalent to 3.2%, which is in excess of the budgeted provision of 3%. It is anticipated that Scottish Government will provide additional funding to support the remaining 1.07% although this may require the redirection of some existing funding streams.
- 2.4 Within the capital programmes, high interest rates present a threat to the affordability of the existing capital programme, a risk that is compounded by the impact of inflation meaning that previously agreed budgets have required increases to fulfil capital commitments. This has resulted in growth in the capital financing requirement and unsustainable increases in new borrowing demands.
- 2.5 At the UK Autumn Budget and Spending Review, the Chancellor announced increases in UK public spending worth around £70 billion a year and confirmed updated Block Grant funding totals for the Scottish Government. The implications of the Chancellor's statement on 30 October 2024 for Scottish Government are £3.4 billion of Barnett Consequentials across 2024/25 and 2025/26. In 2024/25, resource funding will increase by around £1.4 billion in cash terms, and capital will increase by around £70 million. The Cabinet Secretary for Finance has indicated that this uplift was in line with expectations and that funding will be used to support the costs of the 2024/25 public sector pay settlements.
- 2.6 In 2025/26 resource funding to the Scottish Government will increase by around £1.4 billion and capital funding increased by around £600 million. The position for 2025/26 represents around a £1.4 billion increase from 2024-25 in nominal terms or a 3.4% nominal increase. After adjusting for inflation, this is a real terms increase of around £400 million, or 1.0%. At this stage the implications of this for local government and this Council are not known.

- 2.7 The Chancellor also increased the rate and starting point at which employers pay National Insurance Contributions on employee pay. An initial estimate of the cost to the public sector in Scotland is around £500 million in 2025/26. Funding for this change has not yet been included in the Scottish Government Resource Block Grant for 2025-26. HM Treasury have confirmed that an exercise will be run to calculate costs for the public sector and further funding will be provided at UK Main Estimate in Spring 2025. However, given that the public sector in Scotland is relatively better paid and larger in Scotland than the UK as a whole, there is a risk that any Barnett consequential-based funding may not provide sufficient funding to cover the full cost of this change in Scotland. This therefore remains an unknown potential additional resource spending pressure on the 2025/26 budget, both for the Council and on providers of commissioned services.
- 2.8 The next key Budget event will be the Scottish Government Budget, due on 4 December 2024, followed by the draft Local Government Finance Settlement on 12 December. While recent settlements have represented a year-on-year cash increase, this has typically been given with additional policy commitments, or ring fenced to specific service areas, often within education or health and social care. While the detailed impacts of the 2025/26 settlement remain to be seen, the scale of the funding gap now facing the Council means that it is unlikely that any additional funding would be sufficient to close this over the medium term. This means that the Council will continue to face some hugely difficult decisions as to where limited resources will be directed in the future.
- 2.9 The current Resource Spending Review, published in May 2022 includes a commitment to agree a new deal for local government in Scotland. Work has been progressing via COSLA through the Verity House Agreement, but some of these areas of discussions remain on-going. The key areas include:
- Strengthening of a relationship between Scottish and Local Government to achieve better outcomes for people and communities.
 - Seek to balance greater flexibility over financial arrangements for local government.
 - Explore greater scope for discretionary revenue-raising.

Fiscal Framework & National Negotiations

- 2.10 We are aware that CoSLA officers are in the process of exploring potential options for a 'Rules Based Fiscal Framework' to deliver a long-term financial relationship between Scottish Government and Local Authorities. This could see councils receiving a fixed percentage of Scottish Government's budget going forward, but would not incorporate a review of distribution. The potential risks and rewards of any proposed solution remain to be seen but this could have significant long-term implications for the way that the Council is funded in the future. A progress update is anticipated as part of the budget announcement, and we will build any intelligence derived from this into our updated financial plans.

3. Local Context

3.1 The local environment within which the Council operates continues to change and evolve and in recent years the county has seen rapid population growth. East Lothian continues to be one of the fastest growing authorities in Scotland, and the national census data sets out that East Lothian's population as at mid-2023 was at 113,740 (an increase of 26.2% since 2001). This growth is not being matched with funding increases through the local government finance settlement which is creating significant additional cost pressures on the Council, in particular support for day-to-day (revenue) budgets. This financial strategy is being developed in extremely difficult circumstances and the most challenging economic environment this Council has ever faced, with a range of external factors relating to inflation, interest rates, cost of living, economic challenges, and continued public sector austerity, alongside significant increased demand and costs facing the authority. Developing customer expectations present an opportunity for the Council to do things differently, and to work in partnership with its communities to redesign and modernise service delivery, ensuring that resources are directed to the areas of greatest need.

Council Plan

3.2 The 2022 – 2027 Council Plan was adopted by Council in August 2022. This high-level statement of objectives, priorities and strategic goals aims to meet the challenges the Council, East Lothian and its citizens and communities face to achieving the Council's vision of *'An even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish.'*

3.3 Many of the pressures have intensified since 2022, and as such Council has agreed three new short-term focussed priorities to reflect the current financial challenges we face:

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

3.4 The wider plan also sets out four thematic objectives:

- **Grow our Economy** - increase sustainable and inclusive growth as the basis for a more prosperous East Lothian.
- **Grow our People** - give our children the best start in life and protect vulnerable and older people.
- **Grow our Communities** - give people a real say in the decisions that matter most and provide communities with the services, infrastructure and environment that will allow them to flourish

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

Local Development Plan (LDP) & City Deal

- 3.5 The Council has an approved Local Development Plan (ELLDP 2018), which addresses housing need identified in the south east Scotland region and will mean a sustained growth in population across the area. This plan is currently being updated reflecting National Planning Framework guidance (NPF4) and wider requirements. As part of this process, Council approved an initial evidence report for LDP2 in August 2024, which sets the indicative Local Housing Land Requirement at 6,600 additional houses over the 10 year lifespan of the LDP, aligned to national Minimum All Tenure Housing Land Requirement (MATHLR). It is estimated that the population will be 120,000 by 2037 and that the rate of population growth to 2028 will be the 2nd highest in Scotland. This will continue to bring changes to the demography within the area, with significant growth in particular in the number of school-age children and the number of pensioners.
- 3.6 Population growth will create opportunities for the Council, but will also contribute to significant financial challenges in terms of the provision of necessary services to meet needs, for example the increased number of school children, care packages and households requiring waste collection. It will be important to ensure that the Council has the appropriate infrastructure in place to support the growth in service requirements.
- 3.7 Housing growth will give rise to increased council tax income; however, the Council does not currently receive any uplift through the national funding formula to offset the additional costs of growth. Given that national funding comprises approximately three quarters of the Council's revenue budget, the impact of growth presents a huge risk to financial sustainability. In response to this challenge, it is important that as part of our strategy we continue to ensure that these concerns are heard by Scottish Government, and request that their support for growth is demonstrated through the national distribution of funding. At a local level we will need to think differently about how the limited resources we have can be used to support our changing communities.
- 3.8 The Council is also part of a wider Edinburgh and South East of Scotland City Deal. This will see significant investment across the region by partners including the UK and Scottish Governments, and will include the development of an Innovation Hub in East Lothian, that is being developed in partnership with Queen Margaret University. This exciting new building will accommodate a new Scottish Centre for Food Development and Innovation and will therefore support the wider food and drink sector, which is a core component of the East Lothian economy.
- 3.9 East Lothian is experiencing the impacts of the wider macro-economic climate, in common with the whole of Scotland and growth and change will be affected to some degree by the rising costs of construction and the move to new zero. The Council has approved a new economic development strategy and continues to make progress towards LDP2, reflecting the Scottish Government's aspirations and policies in the new National Planning Framework 4, aligning a policy context that encourages economic growth and continues to meet the needs of the population of East Lothian.

3.10 The impact of growth associated with high levels of development across the county will continue to have a significant impact in future years. These core foundations and strategies set out the economic ambitions and opportunities for the county, but in doing so the Council will need to consider how its ambitions for growth can be realised and recognises the challenges in terms of how we use limited resources to support the needs that arise from demographic growth. This may require some changes in what we do and how we do it.

Reducing Poverty and Inequality

3.11 The East Lothian Poverty Plan 2024-28 was adopted by the Council and the East Lothian Partnership in August 2024. This sets out 4 key objectives:

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

3.12 This strategy will seek to ensure that resources are directed accordingly in support of these objectives, providing both responsive support and investing in preventative action.

Responding to the climate emergency

3.13 The Council declared a climate emergency in August 2019 and developed a Climate Change Strategy & Action Plan in January 2020 to take urgent action to mitigate and adapt to climate change. The Strategy sets a route to creating a Net Zero Council and a Carbon Neutral East Lothian in partnership with the community. It includes key priorities to improve sustainability, encourage a low carbon lifestyle and look after the environment.

3.14 The Council needs to take action to tackle the climate emergency, and this will require a change in what we are doing, and how we are using our resources. However, in light of the unprecedented funding gap facing the Council over the medium term, resources will now need to be directed to safeguarding frontline statutory services, which presents a risk to our future capacity for investment in this policy area if external funding cannot be accessed.

4. General Services Revenue Budget – Medium Term Outlook

- 4.1 Notwithstanding the many uncertainties facing Scottish local authorities, the need for medium to longer term financial planning is becoming increasingly important. Councils must ensure that they have robust financial plans in place that can respond to and absorb the potential impact arising from the increasingly wide range of variables highlighted earlier in this report.
- 4.2 The budget development principles agreed by Council on 29 March 2022 included a commitment to setting a 5-year budget plan aligned to the financial and capital strategies. Given the level of uncertainty and short-term nature of local government funding settlements, on 18 February 2025, Council will be presented with a detailed budget for 2025/26 accompanied by high level projections and savings plans covering the 5 years to 2029/30.
- 4.3 To support this, three high level scenarios have been developed to reflect the potential variability in the budget gap facing the Council, depending on a number of variables. The current General Services revenue budget extends over a 5-year planning horizon with a high-level summary of the revised budget gap scenarios reported to Council in August 2024 summarised below. Table 1 shows the funding gap and Table 2 shows the residual gap, after taking account of assumed council tax increases, use of the capital fund, reserve movements and previously agreed savings. This residual gap will need to be closed either through further savings or additional council tax increases, if no funding uplift materialises in the 2025/26 settlement.

Funding Gap – Scenario Planning

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

Table 1: General Services high level revenue funding gap scenarios 2025/26 – 2029/30, reported to Council on 27 August 2024

Savings required

	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£000	£000	£000	£000	£000	£000
Favourable	-125	6,021	7,971	1966	3083	18,917

Neutral	5,266	8,614	9,223	3,511	3202	29,816
Adverse	10,265	11,622	10,389	4,696	4,386	41,357

Table 2: General Services high level revenue savings required 2025/26 – 2029/30, reported to Council on 27 August 2024

4.4 The neutral scenario has been adopted for planning purposes. Key assumptions (which are subject to change) include:

- Pay increases – 3% in 2025/26 and 2026/27, 2% in the subsequent 3 years
- Interest on new borrowing aligned to Treasury adviser forecasts
- Increase in council tax band D charge 10% (or freeze grant equivalent to this value) and 5% thereafter
- Flat cash settlement from Scottish Govt, other than 2026/27
- Delivery of previously agreed savings proposals set out within the current budget, with some reprofiling to later years of the strategy.

4.5 It should be noted that there is a significant degree of risk within these assumptions, and small changes, for exempt to pay increases may have a significant impact on the funding gap. Specific areas of risk include assumptions made around council tax levels, future funding levels and the Council’s capacity to deliver on previously agreed savings.

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

Favourable scenario

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

Adverse scenario

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

4.7 The budget model for 2025/26 onwards will be updated following receipt of the draft local government finance settlement on 12 December 2024 and a revised budget model will be shared with councillors following that. It should be noted that the following areas of ongoing work to update the budget model include:

- Updates to incorporate implications arising from UK and Scottish Government budget announcements and the 2025/26 local government finance settlement.
- Updates to reflect the anticipated impact of demographic change.
- Updated debt charges aligned to the revised capital programme, interest and cash flow forecasts,
- Updates to bring inflationary and indexation pressures in line with the correct levels.
- Detailed work to reflect the current and recurring budget pressures within demand led services and budget for these on a realistic basis.
- Detailed work to reflect the implications of future pay awards at service budget level, along with any potential impact on grading.
- Revised cost pressures to incorporate material changes to policy or external risk factors which require to be funded.
- Inclusion of proposed savings to close the funding gap enabling a balanced budget to be set for 2025/26.

4.8 Current financial planning is based on the neutral scenario as the most likely outlook for the Council. This scale of the funding gap represents an increasingly difficult challenge for the Council to overcome whilst sustaining provision of statutory services, with our capacity to manage this remaining as the highest risk recorded on the corporate risk register. If the budget gap outlined in the adverse scenario materialises, then this will represent a reduction to the Council's running costs by more than a fifth over the next five years, which presents a high risk to the achievement of ambitions set out in the Council Plan, and means that it will not be possible for the Council to continue delivering services in the way that it does at the moment.

5. General Services Capital Budget – Medium Term Outlook

5.1 The new budget development principles include a commitment to *a holistic approach to budget development, which recognises the relationship between capital and revenue planning and the role of investment in cost reduction strategies.*

5.2 The Capital Strategy sets the framework for capital expenditure decisions and the arrangement for governance and monitoring of these plans. Given the significant impact of debt financing costs and revenue consequences of capital spend on the revenue budgets, it is important that these strategies are closely aligned and the interdependencies are understood. On 20 February 2024, the Council approved an

ambitious, growth driven 5 year General Services capital budget, a summary of which is set out in the table below.

	2024-25 £'000	2025-26 £'000	2026-27 £'000	2027-28 £'000	2028-29 £'000	TOTAL £'000
General Services Gross Expenditure	117,196	53,610	57,480	68,585	67,605	364,475
General Services Income	(66,364)	(28,408)	(41,171)	(62,178)	(50,003)	(248,124)
Net General Services	50,831	25,202	16,309	6,407	17,601	116,350

Table 3: General Services Capital budget summary 2024/25 to 2028/29, agreed by Council on 20 February 2024

- 5.3 Funding for the capital plan comes from a range of sources including: Scottish Government (General Capital Grant and Specific Ring-Fenced Capital Grants), developer contributions, capital receipts from asset disposals, other income such as grant funding from other bodies, with the balance made up from borrowing funded through loan charges to the revenue budget.
- 5.4 The current capital investment plans recognise the growth and ambition of the Council, with current plans designed to support the future infrastructure requirements across the Council area. These plans are aligned to the delivery of the approved Local Development Plan (ELLDP 2018) and ambition relating to the commitment from the Council relating to the Edinburgh and South East of Scotland City Deal. The related investments will create significant economic long-term benefits for the East Lothian economy, but will place a significant financial burden upon Council finances, and affordability remains a key consideration both in terms of the short and longer term.
- 5.5 Whilst much of the current LDP commitment falls within the 5-year capital investment plan, there will also be significant impact on future years and the emergence of a successor LDP.
- 5.6 As highlighted in previous Council reports, there remains significant external market pressures with wider supply and cost pressures. This has continued to present significant financial challenges on the current approved capital programme and borrowing levels. Whilst current indications suggest the wider market conditions may stabilise in due course, affordability presents a significant risk to future capital projects and this needs to remain a key area of focus over the medium term.
- 5.7 CIPFA's Prudential Code places prudence, affordability and sustainability as the foundations to effective capital planning. This includes consideration of the long-term implications of borrowing alongside the revenue consequences generated for the Council, such as staffing, rates, utility costs, cleaning etc, which must be met from within the revenue resource levels available to the Council. At a time where revenue budgets remain under significant pressure, it is essential that capital investment decisions take

into consideration the full cost implications facing the Council. This will also be an important consideration in supporting external funding applications which can often divert already stretched staffing resource to support projects which are fully funded, and can take limited resources away from supporting key Council priorities.

- 5.8 Where capital investment can be used to enable the reduction of costs within the revenue account then the strategy will seek to support the inclusion of these schemes, subject to a robust investment appraisal and underlying business case.
- 5.9 In addition, the borrowing for capital infrastructure is funded through annual loans fund payments which are charged to the revenue budget and repaid over the lifetime of the asset. Interest rates continue to be at a higher level than we have experienced in recent years, and whilst these have reduced from the recent high levels and are forecast to stabilise and then only fall gradually in the medium term, this directly impacts on interest payable on new borrowing. It is important to remember that any new borrowing is in addition to existing borrowing and that all borrowing will need to be repaid in the future and capital investment decisions which are taken now must be taken within the context of longer-term projections. The capital investment decisions are supported by the Capital Strategy and Treasury Management and Investment Strategy to assess and better understand the implications for both current and future Council Tax payers and to ensure that investment plans remain affordable and sustainable. Our capital strategy will be focussed on maximising income receipts in advance in order to minimise borrowing where possible.
- 5.10 Whilst recognising the important role that capital investment has to play in stimulating economic growth and providing communities with vital infrastructure, capital expenditure plans must be prudent, affordable and sustainable. Current debt levels and future forecasts set within the current financial operating environment are now unaffordable, and as such will need to be revised.
- 5.11 The Capital Strategy for 2025/26 – 2029/30 therefore recommends that General Services capital expenditure affordability is controlled through regular review by the Chief Finance Officer, with reference to overall borrowing levels and the impact of debt repayment charges on the revenue account. With this in mind, consideration must be given to introducing enhanced controls on new borrowing. Any new controls will be subject to discussions will be subject to discussion with members and recommended to Council for agreement as part of budget setting in February. Any such limit would then be reviewed by the Chief Finance Officer at regular intervals throughout the year and reported to Council through quarterly budget monitoring reports. A wider review of the strategic governance arrangements to oversee the capital programme is required, with a view to ensuring that these arrangements enable regular consideration of the overall affordability of the programme as well as monitoring delivery.
- 5.12 This strategy will also focus on a comprehensive review of the Council's asset base, with a view to maximising capital receipts where possible, and minimising new net borrowing. In June 2024, Council agreed the Property Asset Strategy and Management Plan 2024-2028 and place making project.

5.13 The purpose of the Place Making Project is to develop a new holistic service delivery model for communities and the property assets required to support this. The project will have the following key work streams:

- Establish the current position in relation to Council services delivered to communities, the assets they are delivered from, how the assets are managed and how much they cost to operate.
- Identify other assets that can be used by the community for complementary services.
- Understand the needs of local communities.
- Consider the asset strategies and investment plans of partners to establish opportunities for collocated facilities and joined up service delivery.
- Develop a new service delivery model and proposals for the property assets required to support this, all in the context of the asset rationalisation revenue savings and capital receipts targets set.
- Engage with communities and staff on these proposals.

5.14 In this context, development of the capital plan will need to consider the need to pause planned investment which may fall within the scope of this review, in order to ensure that the above objectives are met and that the value from any investment can be maximised.

5.15 Infrastructure investment will be prioritised aligned to Council priorities including the delivery of the transformation of Council services that will help minimise ongoing revenue costs. Much of the capital programme is underpinned by prevailing economic conditions, including the realisation of developer contributions dependent upon wider housebuilding that are critical to support the delivery of many of the related capital infrastructure projects. Given the current economic climate, the situation will need to be monitored closely and the ability to be flexible and adaptive with our capital planning will prove critical.

6. Reserves

6.1 In determining medium term financial plans and preparing budgets, the Council needs to consider the establishment and maintenance of reserves in accordance with its statutory powers. Reserves can be held for three main purposes:

- Working balances to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of General Reserves.
- A contingency to cushion the impact of unexpected events or emergencies – this also forms part of General Reserves.
- A means of building up funds often referred to as Earmarked Reserves, to meet known or predicted liabilities.

6.2 General Services reserves (excluding HRA reserves) available as at 31 March 2024 totalled £34.17 million (note that this reflects the unaudited position). A breakdown of this total is shown within table 4.

	31 March 2023 Balance	Movement	31 March 2024 Balance (unaudited)
GENERAL FUND RESERVE			
EARMARKED			
Committed for Future Budgets	8,524	-7,412	1,112
Transformation Fund	5,826	12,699	18,525
Ring-fenced Funds & Other Balances	2,253	-428	1,825
Devolved School Management Balances	1,148	0	1,148
Statutory earmarking of council tax for affordable housing	1,463	161	1,624
SFT earmarked reserve (Rosehill Campus, Wallyford)	0	1,292	1,292
Service concession (PPP) reserve (support for deferred charges)	0	1,043	1,043
Uncommitted General Fund (General Services) Balance	7,200	400	7,600
Total General Fund Reserves	26,414	7,755	34,169
OTHER RESERVES			
Insurance Fund	2,684	0	2,684
Total	2,684	0	2,684
Total General Fund / Other Reserves	29,098	7,755	36,853
HRA	1,487	48	1,535
Capital Fund (incl HRA)	14,607	6	14,613
Total Other Reserves	16,094	54	16,148
TOTAL USABLE RESERVES	45,192	7,809	53,001

Table 4: Usable reserves at 31 March 2023 and 31 March 2024 (unaudited)

6.3 Each of these reserves is set out for a specific purpose with the detail of their intended use explained below:

Earmarked Reserves

1. **Requirement to support future budgets:** This balance is held to support future budget plans, aligned to the approved General Service budget for 2024-2029. In the context of the planned drawdown of reserves for 2024/25, and the forecast overspend for the current year, it is anticipated that this reserve will be fully utilised during 2024/25. The current budget model assumes a £1 million contribution back to reserves in 2025/26 to offset the equivalent sum used to balance the budget in 2024/25.
2. **Transformation Fund:** Amounts set aside to support investment in the following critical enablers to support longer term financial sustainability, including asset review, transformation and service redesign, energy efficiency, early intervention and prevention and digital transformation. The increase to this reserve at the end of 2023/24 arose from the application of fiscal flexibilities for service concession assets which saw a one off backdated adjustment which increased this reserve in line with the decision taken by Council. It should be noted that this increase is not backed by cash, meaning that the Council will need to borrow in order to spend the funds within this reserve. During 2024/25, these funds are being used to progress and accelerate key transformation projects including the asset review, parking strategy and new corporate systems.
3. **Ring fenced funds and other balances:** This reserve contains funding commitments within service areas relating to previously committed expenditure obligations which have not yet materialised, including ring fenced funds such as Mid and East Lothian Drug and Alcohol Partnership.
4. **DSM:** These funds represent balances established from both Primary and Secondary Devolved School Management schemes.
5. **Statutory earmarking of council tax for affordable housing:** An earmarked fund established by reducing the second home or empty property council tax discount for the development of affordable housing. Under Scottish Government direction within certain criteria, Local Authorities can now use this income to support the development of affordable housing, including the disbursement of funds to other organisations or individuals, as well as RSLs. It should be noted that the premium for second homes council tax introduced as part of the 2024/25 budget does not fall within the scope of this direction. Authority is delegated to the Chief Finance Officer to approve the commitment of funds against this reserve, and this will be reported through the Members Library Service.
6. **SFT earmarked reserve (Rosehill Campus, Wallyford):** this reserve holds funding received to support maintaining the new Wallyford Learning Campus at specific standards required to access ongoing SFT grant funding conditions. The funding profile does not match the likely maintenance and renewal programme on the building and this reserve would offset years when the costs of the work exceed the available

funding in-year. This reserve, if topped up annually, would give the Council some security around its ability to meet future building costs.

7. **Service concession (PPP) reserve (support for deferred charges):** this reserve will partially offset the future costs associated with the extended repayment period on PPP assets, which arises because of applying fiscal flexibilities in line with the decision made by Council in February 2023. The reserve, if topped up on an annual basis will mitigate future financial risks to the Council which may arise from extending the repayment period for these assets.
8. **Insurance Fund:** The insurance fund is used to insure against a risk, or pay premiums on a policy to insure against a risk. The level of fund retained remains subject to ongoing fund valuations.
9. **Capital Fund:** This fund was established from Capital Receipt income which has not yet been applied in year. This Fund can be used meet future capital investment costs either reducing loans fund advances or providing funds to cover the principal repayments of the loans fund. This reserve also holds post completion section 75 contributions which are being used to smooth fluctuations in debt charges over the medium term, in line with the budget approved by Council for 2024/25.
10. **Uncommitted Balance to support minimum level:** In line with the previous approved Financial Strategy, these specific reserves collectively support the minimum level of uncommitted reserves with more detail set out below.

6.4 It should be noted that many of the reserves listed within table 3 already have post 31 March commitments against them and will be spent during 2024/25. Furthermore, the forecast revenue outturn at the end of quarter two indicates that reserve drawdowns totalling £8.5m may be needed during the current financial year. This includes unplanned drawdowns of £3.7m, although Council has agreed a series of mitigation measures which remain in place to try and reduce the forecast in year overspend and bring this back in line with budgeted expenditure levels.

Reserves Strategy

- 6.5 The budget development principles agreed by Council include a commitment to minimising the use of one-off resources to balance the budget. While this may be unavoidable in certain circumstances, this should be a short-term response only and should not replace the development of a sustainable budget.
- 6.6 As noted above, the Council maintains reserves as a safety net to allow for unforeseen circumstances. There is no statutory definition of the minimum level of reserves: the amount required is a matter of judgement. However, Council has previously agreed to set aside 2.5% of the net revenue budget as the minimum unallocated balance on the general fund, which equates to approximately £8.2m.

- 6.7 Given the current risk environment, along with the projected in year overspend at this point is considered appropriate as part of the financial strategy to work towards increasing the minimum unallocated balance on the general fund over the medium term. Although holding an excessive level of unallocated reserves rather than investing these in improving services would not represent value for money or effective use of resources, the range and extent of risks currently facing the Council increases the likelihood that reserves will be needed to support mitigation measures as well as the Council's response to future unforeseen events. Given that reserves are not recurring resources meaning that they can only be used once, targeting a minimum unallocated balance of this level is proportionate and not excessive.
- 6.8 In the event that reserves fall below the minimum level, then action will need to be taken to replenish balances accordingly. In the first instance, we would seek to use other earmarked balances for this purpose. If this is not possible then a recovery plan would need to be implemented, with a view to replenishing reserves from the revenue account over the subsequent twelve months.

7. General Services Financial Strategy

Balancing the Budget

- 7.1 The Council is legally required to set a balanced budget for the forthcoming financial year and will need to develop detailed and robust plans for closing the gap between expenditure demands and available resources.
- 7.2 Council has committed to developing an approach which combines a range of options to close the gap between available funding and anticipated expenditure including an enhanced programme of transformation, asset review, income generation, cost reduction and efficiency. To ensure that the Council remains financially sustainable, it is essential that planned savings can be delivered in line with the agreed budget as far as possible, or that alternative measures are promptly agreed where this is not possible. This is monitored closely throughout the year and reported to members through quarterly reporting to Council.
- 7.3 Given the scale of this challenge over the next five years, it is prudent for the Council to develop credible plans to close this gap in the years subsequent to 2025/26. The size of the potential revenue budget shortfall means that no single initiative can be expected to close the gap. A blend of different approaches will therefore be required, and detailed plans have been developed, aligned to the following broader categories:
1. **Asset rationalisation & Energy Efficiency** - The Council has an extensive operational asset portfolio to support service delivery needs. The Corporate Asset Strategy provides the framework for the efficient management of the Council's core assets, with significant and future investment requirements, it aims to provide a modern, efficient and sustainable asset base that meets the needs of its existing and future service users and employees. The Council has embarked on an ambitious programme to review and rationalise the asset portfolio, in order to support the delivery of approved budget savings. This includes revenue savings of £5m over the next 5 years,

and a capital receipts income target of £20m over this period between 2023/24 and 2028/29.

The Energy Transformation Board meets regularly to actively explore opportunities for reducing expenditure and potentially raising income from energy such as exploiting renewable energy sources.

Both of these work streams align to the Council Plan priority of responding to the climate emergency and meeting our net zero climate change targets.

2. **Income generation** – Where savings can be delivered through income generation, this helps to reduce the extent to which cuts are required to front-line services. This strategy therefore recommends that, as part of the development of the budget, consideration is given to increasing existing charges, and implementing new charges where appropriate. Work is already underway in this area and as outlined in the Council’s charging policy, the implementation of charges can also be used to support wider priorities aligned to the Council Plan.
3. **Transformation, service redesign & digitalisation** – A broad range of transformation projects is already underway and the Council has robust governance arrangements in place to oversee this. Current projects include the transforming services for children project, facilities management review, purchase to pay review, and redesign of print and mail services. The Council also recognises the important role that technology has in making services more efficient and is committed to enabling this. Current digital projects include the online customer platform to improve the customer experience, replacement of the housing management system, and updating / replacing key corporate systems including the financial management system. As part of this strategy, it is important that visibility of the financial and wider benefits of these projects is maintained. Given that 70% of the Council’s expenditure represents staffing costs, it will not be possible to close the budget gap without a reduction in this area and it is hoped that the projects in this area will help to deliver some of the change required to manage these reductions.
4. **Early intervention & prevention** – investment in preventative measures supports cost reduction by reducing the need for expensive interventions over time, and also results in improved outcomes for the Council’s service users. The Council is already doing this successfully in a number of areas but there is an opportunity to go further. Potential areas of focus in relation to this objective include children’s services, homelessness and implementation of the poverty and inequality plan.
5. **Service reductions** - Service reductions will be treated as a last resort as part of this strategy; however, all options will need to be considered in order to safeguard statutory services which are relied upon by the most vulnerable in our communities. Given the scale of the budget gap which the Council faces over the medium term, it is now inevitable that some service reductions will be necessary. It is crucial through these considerations that a clear vision on the key priority outcomes for the Council is maintained, so that the constrained funding can be directed accordingly to ensure that these important outcomes are achieved.

- 7.4 Savings plans will need to be aligned to the five-year financial strategy, with plans for savings and additional income featuring in each of the five years. This will be a continuous programme of work which will be underpinned by robust governance arrangements to develop plans, monitor progress and evaluate the resources required to progress the different elements of this strategy. This approach assumes that existing savings previously agreed by Council will be delivered in full.
- 7.5 Work to redesign services within the available budget envelope now needs to progress at pace, and this needs to include horizon scanning to contain cost growth within new operating models. It is essential that all services prioritise the delivery of existing and future planned savings in order to support financial sustainability and mitigate the risks which this presents.
- 7.6 In addition to the above measures, officers and members will continue to actively participate in national conversations to raise awareness with Scottish Government ministers, civil servants and CoSLA to highlight the specific challenges which East Lothian faces in relation to its growing population, and the financial pressures which are being placed on revenue and capital budgets as a result of the additional costs of growth.

Critical Enablers

- 7.7 This strategy recognises that the scale of change needed to deliver a balanced budget and ensure financial sustainability will now require a fundamentally different approach to the way in which the Council delivers its services.
- 7.8 This is an opportunity to do things differently, and to ensure that the Council has the capacity and resources to deliver modern services, aligned to its strategic objectives which meet the needs of the changing demographic of East Lothian.
- 7.9 Investment will be required in order to make it possible for the Council to act upon these opportunities, and the following critical enablers have been identified to support the delivery of this strategy:
- **Investing in digital transformation**
 - **Resourcing and enabling the asset review**
 - **Support for service reviews & wider transformation**
 - **Cost reduction through energy efficiency**
 - **Investment in early intervention and prevention**
 - **Developing and growing income streams**

Fiscal Flexibilities

- 7.10 As part of the 2023/24 budget, Council agreed to apply fiscal flexibilities in relation to its service concession assets. This allows the Council to spread the cost of service concession assets over their useful life, rather than over the duration of the contract, resulting in a

financial benefit for the remainder of the contract. Council agreed as part of the 2023/24 budget to apply this flexibility, which offered a result in a one-off benefit to general reserves in the region, and to invest this in supporting wider transformation, as outlined elsewhere in this strategy.

- 7.11 The financial strategy strongly recommends that these flexibilities are only applied only where this can be justified through wider plans to deploy resources in a way which will support future financial sustainability.
- 7.12 This approach aligns to the budget development principle of minimising the use of one-off resources to balance the budget and ensuring that use of reserves is limited to investment that will deliver ongoing cost reductions. There is no indication at the current time of any further flexibilities being provided to councils, which supports the rationale set out in this strategy to pursue options to reduce the Council's net cost base in order to provide long-term financial sustainability.

8. Housing Revenue Account

- 8.1 The Local Housing Strategy sets the strategic approach for the delivery of high-quality housing and housing related services across all tenures, to meet identified need. The Strategy has been prepared within the context of a highly pressured housing market, and significant demand for social rented housing. A high level of homelessness applications persist and the economic climate continues to impact on the ability of households to meet their housing needs.
- 8.2 Against this backdrop, increasing the supply of affordable housing continues to be a high priority for East Lothian Council ensuring that it meets the needs and aspirations of local people that they live in good quality homes which are located in strong, safe communities. On 12 November 2024, Council declared an affordable housing emergency due to the significant impact of reduced investment on new build completions, the seriousness of the wider impact of reduced housing supply on current housing pressures, and the imminent loss of affordable units.
- 8.3 In recent years there has been a significant increase in HRA capital spend as both the modernisation and Council house building programmes have been expanded, and as a consequence, the share of revenue spending on debt charges has also increased.
- 8.4 The Strategic Housing Investment Plan (SHIP) sets out the priorities for affordable housing investment in East Lothian over the next five years and will be dependent upon a combination of affordable housing providers, which includes Registered Social Landlords (RSLs), East Lothian Council and the private sector. It will also be dependent on complex funding models delivering different tenures.
- 8.5 East Lothian Mid-Market Homes LLP supports the provision of mid-market rental property, and is a partnership between East Lothian Council and Scottish Futures Trust. The establishment of this vehicle will allow further opportunities to support the delivery of affordable housing across East Lothian.
- 8.6 The Housing Revenue Account is a balancing act between the income raised through rent, the revenue expenditure to support the tenants, and necessary capital investment to

support and modernise existing council housing stock and deliver new Council homes. To support this ambition, the financial strategy must ensure that financial plans remain affordable and sustainable both for existing and future tenants.

8.7 For 2025/26, the Council is consulting on a rent increase of up to 7%, which is above the assumed level of 5%. The higher increase required to sustain investment in modernisation and affordable housing delivery is a consequence of the significant reduction in affordable housing subsidy in 2024/25.

8.8 Current budget projections in the years subsequent to 2025/26 assume a minimum of 5% annual increase in rents. Increases below this level will likely require a reduction in the capital investment programme. This will remain under review subject to the outcome of the rent restructure and development of the 30-year business plan.

8.9 Given this ambition, key areas of focus for the HRA financial strategy 2025/26 to 2029/30 are as follows:

- Reviewing the existing rental levels and implementing a rent restructure within the financial strategy term, to promote fairness and transparency across the HRA portfolio.
- Ensuring that capital expenditure plans remain affordable and sustainable by maximising subsidy available to support capital investment and maximising the level of Capital Financed from Current Revenue (CFCR).
- Maximising efficiency and value for money, ensuring that expenditure is focussed on priority areas to maintain and improve the service for tenants.
- Working with RSL partners to deliver the affordable housing needs across East Lothian and support the ambition set out in the Strategic Housing Investment Plan.
- Reducing rent arrears, ensuring targeted and flexible support is provided to tenants to who are experiencing financial difficulties.
- Implementing the new housing management system to support and improve forward planning and customer service;
- Developing a 30-year business plan for the HRA;
- Minimising the impact of debt charges by operating within the recommended upper limit for the ratio of debt charges to income to 40% both in the short and longer term; maximising the in-year use and application of capital receipts, available capital grants, and revenue balances where possible.
- In support of contingency planning, ensuring that the reserve or balance left on the HRA does not fall below £1.0 million, allowing the Council to maintain a cushion against any unexpected increase in costs or loss of income. Given the scale of the risks currently facing the HRA, it is appropriate to keep this level under review to ensure that this remains appropriate.

9. Financial Management

- 9.1 Financial management at East Lothian Council comprises a number of elements. Officers and members are fully engaged in the annual budget setting process, through regular updates and the Cross-Party Budget Working Group, which will create a shared understanding of financial plans and budgets, as well as the wider external pressures on the Council's finances.
- 9.2 During 2024/25, an enhanced budget monitoring framework has been developed and rolled out with training to support strong financial management by budget holders.
- 9.3 The current external operating environment is extremely challenging, very dynamic and subject to constant change. The financial performance relative to approved financial plans is kept under constant review, and this is supported by regular financial monitoring and scrutiny reports provided to Council.
- 9.4 As part of our normal financial management support service, monthly and quarterly performance reports are issued to managers with budget responsibility and in addition to that, the overall finances of the Council are subject to detailed annual independent audit review.
- 9.5 The need for continued application of enhanced cost control measures remains a vital discipline that all managers should continue to operate, demonstrating effective stewardship and application of Council funds at all times.
- 9.6 It is vitally important that through the Council Management Team (CMT), the Council maintains a disciplined approach to the implementation of its change programme and does everything possible to deliver the financial efficiencies planned in accordance with that programme and the supporting budgets. Heads of Service will be required to manage expenditure commitments within approved budgets and if at any time spending pressures are not containable within the Business Group, the relevant Service Manager should report this to their Head of Service and Executive Director who has the flexibility to manage budgets across various business groups.
- 9.7 Although the Financial Strategy quite properly covers the 5-year period until 2029/30, the Strategy will be continue to be subject to an annual refresh to ensure that it remains relevant and enables the Council to respond to any future financial challenges to ensure its on-going sustainability.

Financial Management System (FMS)

- 9.8 In support of good financial management, the Council is in the process of implementing a new financial management system. There will be a phased approach to rolling out the new system, and work is progressing towards completion of Phase 1 of the project in 2026. This represents a complex, high-risk project with significant resourcing implications; however, support for the database and operating system for our current software will end in 2026 and 2027 respectively. The considerable benefits that will be derived from updating the legacy system, including greater efficiency and improved management information are fundamental to the successful delivery of this strategy and to sound financial management. This aligns to the Council's digital strategy, and the

principle of investing in digital transformation as a critical enabler, as outlined elsewhere in this strategy.

Cross Party Budget Working Group

9.9 As part of its revised budget development framework, Council agreed to establish a cross party budget working group to oversee the development of detailed budget proposals and the different work streams supporting this.

9.10 This group has now been established and its role and objectives are as follows:

- Supporting the development of a balanced budget through consideration of budget proposals intended to close the gap.
- Receiving updates on the development of the Council's capital strategy and programme via the asset governance political oversight group, and considering the overall impact of the proposed programme on revenue budgets.
- Providing strategic oversight for transformation work streams.
- Providing political oversight to steer strategic financial planning to ensure alignment between resource allocation and the priorities identified within the Council Plan.
- Promoting greater awareness and understanding of the stakeholder engagement plan and using consultation results to inform the development of political priorities.
- Providing political oversight on transformational work streams and the HRA programme board.
- Communicating financial challenges and opportunities to respective political groups and acting as a conduit to represent the priorities of wider political groups in relation to budget planning.
- Developing effective cross-party working on the development of the annual budget and financial strategies.
- Overseeing the planned deployment of the Council's usable reserves and balances.
- Offering feedback and learning opportunities for continually improving this process, through debrief following the Council budget meeting.

9.11 The role of this group is important for the implementation of this strategy, by facilitating greater involvement of all political groups in the development of budget proposals at an earlier stage in the process.

10. Risk Management

10.1 The Council's financial strategy is subject to a high degree of risk and uncertainty. In November 2022, managing the financial environment was elevated to a score of 25, which is the highest-rated risk that the Council has ever seen within its corporate risk register. This risk remains at this level. The Council has robust risk management processes in place to capture risks and to ensure that appropriate mitigations are developed and maintained. Corporate and service risk registers and remain live documents, which are shared with senior managers, CMT, Audit and Governance Committee.

11. UNCRC

11.1 We will ensure that Council commitments to the Children and Young People (Scotland) Act 2014 (Corporate Parenting responsibilities) and Article 12 of the UN convention on the Rights of the Child are reflected in our budget planning. We will do this by ensuring that the voice of children and young people is included through the budget consultation process and aligning our resources to support these objectives and ensure that as a Council we are doing all that we can to meet the needs of children and young people.

12. Summary

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

12.2 To achieve this, the Council must embark on an enhanced programme of transformational change, which embraces digital technology and continues to support Council plans. To protect the delivery of vital essential services, the Council must do all that it can to maximise revenue income streams available, and to support economic growth and achieving wider aims and outcomes, the Council must accelerate a review of all Council assets, which will seek to minimise future revenue costs, and maximise future capital investment.

12.3 The Financial Strategy set out will assist the Council in meeting the future financial challenges ahead. It is recognised that the wider economic uncertainty and potential scale and significance may mean that the Council must prioritise its resources to deliver and support essential services, and this may in turn require some difficult decisions and choices ahead.

12.4 This financial strategy provides a robust framework for setting the budget for 2025/26 onwards and highlighting the need to take action to ensure the Council can continue to be financially sustainable over the medium term. The current forecast position is extremely challenging, with additional budgetary pressures and expenditure demands significantly exceeding the funding available.

12.5 The strategy will be kept under regular review and updated at least annually.



CAPITAL STRATEGY

2025/26 to 2029/30

Funding and affordability.
Asset maintenance, enhancement and aquisition.

Contents

INTRODUCTION.....	2
REGULATION.....	3
OBJECTIVES OF THE CAPITAL STRATEGY AND OTHER KEY DOCUMENTS	4
GUIDING PRINCIPLES	9
APPROACH TO BORROWING.....	9
CAPITAL EXPENDITURE BUSINESS CASE	10
PRIORITISATION AND APPROVAL	11
MANAGEMENT AND MONITORING OF THE CAPITAL PLAN	14
GRANT ALLOCATIONS	14
CAPITAL RECEIPTS AND CAPITAL CONTRIBUTIONS	15
ALTERNATIVE FUNDING AND DELIVERY OPPORTUNITIES	16
PROPORTIONALITY OF NON-TREASURY INVESTMENTS	16
ASSET DISPOSAL STRATEGY	17
TRAINING AND SKILLS	18
TREASURY MANAGEMENT LINKS	19
BALANCE SHEET CONSIDERATIONS.....	19
EXECUTIVE DIRECTOR OF COUNCIL RESOURCES: STATEMENT ON DELIVERY, AFFORDABILITY AND RISK OF THE CAPITAL STRATEGY.....	20
BACKGROUND	20
SUMMARY OF THE BORROWING POSITION	20
EXECUTIVE DIRECTOR OF COUNCIL RESOURCES REPORT.....	21
CONCLUSION	23
APPENDIX A.....	24
KEY RATIOS AND PRUDENTIAL INDICATORS.....	24

INTRODUCTION

East Lothian Council has a focus on ensuring existing and new communities continue to be great places in which to live and work, with an even more dynamic local economy. Between now and 2033, the population of South East Scotland is expected to grow by 220,000 people and the Council will need to ensure that services and infrastructure provided are fit for purpose and meet the needs and aspirations of the residents of the county. East Lothian Council's Local Development Plan (LDP1) allocated land capable of delivering just over 10,000 new homes. It also identifies some 200 hectares of employment land for job creation. The extent of this growth is likely to grow further when LDP2 is adopted, creating further unfunded demand for new investment. The plans are ambitious and the Council will need to balance an increasing demand through demographic requirements with the additional pressure on revenue and capital resources.

To safeguard the delivery of sustainable services into the future, it will be necessary to change the way that we do things. This will require a level of investment in transformational change.

The Capital Strategy has been updated to cover the period from 2025/26 to 2029/30 and outlines the Council's priorities as well as the due considerations required relating to funding and assessing affordability. Governance of all aspects of the capital plans are considered and there is recognition that there is a need to balance any investment for the maintenance and enhancement of existing assets against any ambition for the acquisition or construction of new assets. If assets fall into disrepair and they are no longer able to fulfil their primary purpose, then the Council's ability to deliver the associated services is impacted and it has resources tied up in assets that it cannot use.

The Council has a very ambitious set of plans to deliver capital investment over the next ten years, including significant expenditure on the education estate, infrastructure and housing. The investments are crucial to deliver statutory services and to achieve the plans as set out in the East Lothian Council Plan.

The Council's challenging financial position means that it is more important than ever to ensure that we make the best use of the capital resources that are available to us. There is a need to demonstrate that capital expenditure and investment decisions are taken in line with the Council's aims and objectives and, in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code, take account of governance, stewardship, value for money, prudence, sustainability and affordability. Cash flow and the phasing of expenditure has to be considered in order for the Council to maximise opportunities for securing external funding.

REGULATION

Local Authorities are required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities (December 2021) when carrying out their duties in Scotland under Part 7 of the Local Government (Scotland) Act 2003. The key messages from the code are, in relation to capital expenditure, the consideration of Prudence, Affordability and Sustainability.

The format of the Capital Strategy reflects the requirements of both the latest Prudential Code for Capital Finance in Local Authorities and the Treasury Management in Public Services Code issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). Recent Code revisions have been incorporated into the strategy.

CIPFA's Prudential Code provides a framework for the self-regulation of the authority's capital financing arrangements. It requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital and revenue planning.

A Capital Strategy is part of the Prudential Code requirements and sets out the long-term context in which capital expenditure and investment decisions are made and that gives due consideration to both risk and reward and to the impact of the strategy on the achievement of the authority's priority outcomes.

The Financial Management Code of Practice has been issued by CIPFA 'to provide guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively'. The Financial Management Code applies to all local authorities and brings together statutory requirements and Codes of Practice into one document.

CIPFA's current Prudential Code requires the Capital Strategy to demonstrate the concept of proportionality between treasury operations and non-treasury operations. Non-treasury investments are shown in the Proportionality of Non Treasury Investments section.

OBJECTIVES OF THE CAPITAL STRATEGY AND OTHER KEY DOCUMENTS

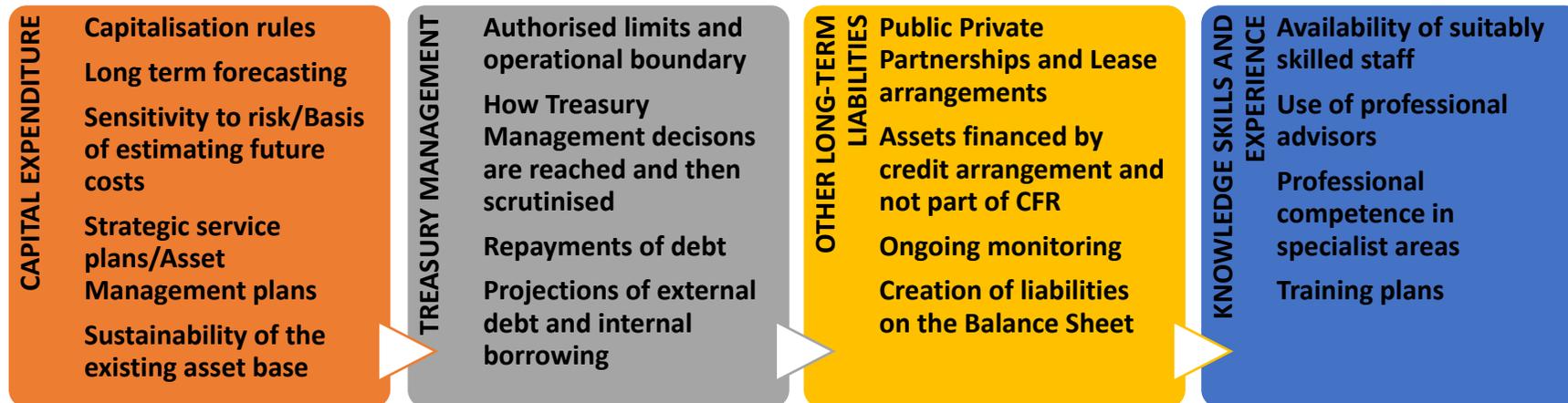
The Capital Strategy is a key document which sets out how the Council will realise its strategic objectives through investment over the medium term, and the governance arrangements which support this. Many other plans and strategies influence capital investment plans, and the strategy seeks to ensure that capital plans are aligned to the Council Plan. The priorities are that:

- capital investment plans are affordable, prudent and sustainable;
- financing decisions are taken in accordance with good professional practice and with a full understanding of the risks involved; and
- robust governance arrangements are in place to support its capital planning activities.

The Capital Strategy is therefore the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities within the Council's 5-year Capital Plan.

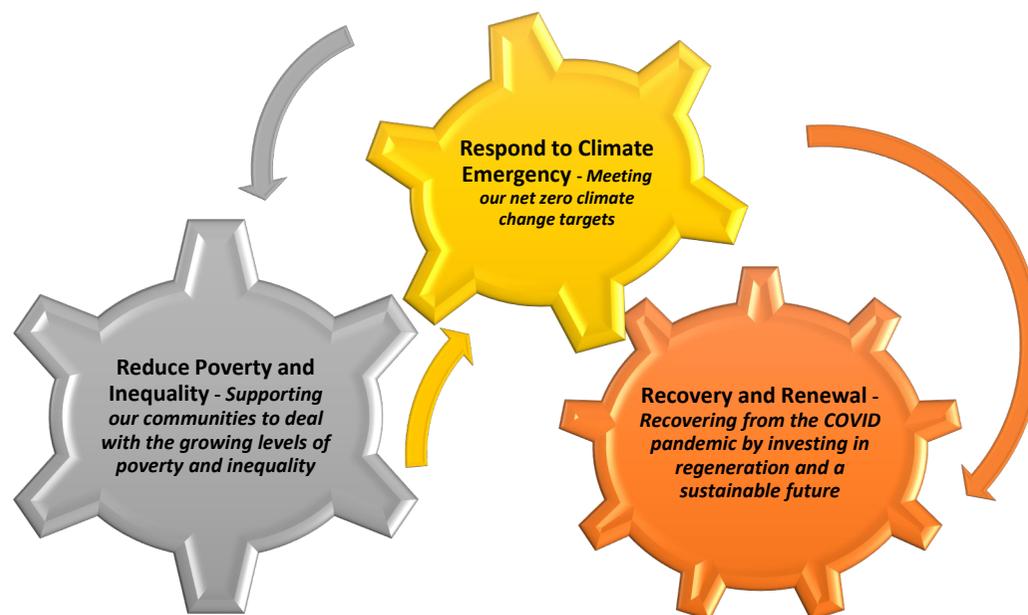
The overarching aim of the strategy is to provide a framework within which the Council's capital investment plans will be delivered. This Capital Strategy updated for the financial years 2025/26 to 2029/30 initially covers a five-year timeframe to allow sufficient opportunity for strategic capital planning. A key purpose of the Capital Strategy is to firmly place decisions around borrowing in the context of the overall longer-term financial position of the Council and to provide improved links between the revenue and capital budgets.

Inevitably, the full picture of the control system around the Council's wide range of capital expenditure and its funding is reflected in a range of documents, monitoring and management arrangements. A summary of four key aspects of capital activities is shown in the following table and further information on the other corporate plans can be found in the next section.



The **East Lothian Council Plan** drives capital investment plans. The Council Plan is the Council's key strategic document. The current plan covers the period from 2022 to 2027.

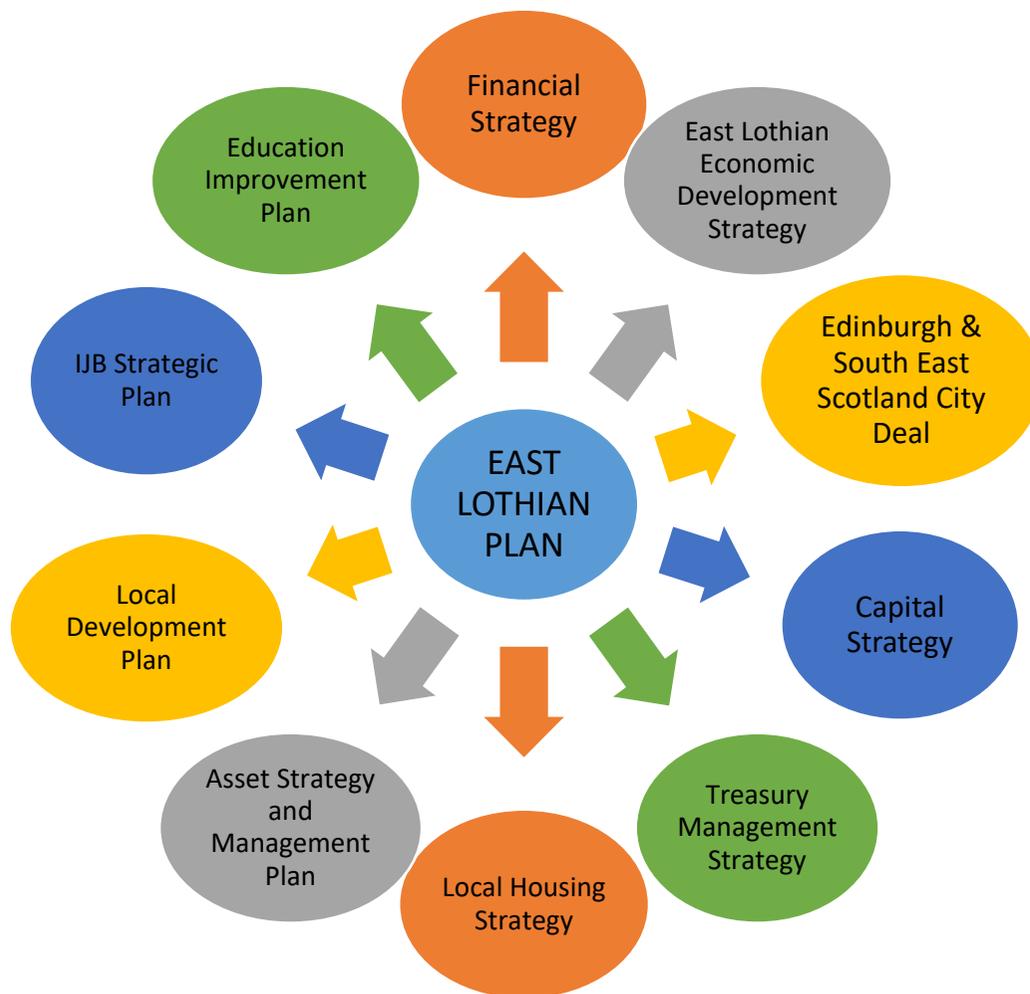
It is based around three overarching objectives that have been set in response to the three fundamental challenges we face:



The Council Plan sets out the Council's ambitious vision of **'an even more prosperous, safe and sustainable East Lothian with a dynamic and thriving economy that will enable our people and communities to flourish.'** The Plan sets out how the Council will strive to achieve this vision with an overarching objective to **'Reduce inequalities within and across our communities'** and four themes:

Growing our Economy	• to increase sustainable and inclusive economic growth as the basis for a more prosperous East Lothian
Growing our People	• to give our children the best start in life and protect vulnerable adults and older people
Growing our Communities	• to give people a real say in the decisions that matter most and provide communities with the housing, transport links, community facilities and environment that will allow them to flourish
Growing our Capacity	• to deliver excellent services as effectively and efficiently as possible within our limited resources

The Council Plan does not sit alone; it is part of a suite of strategies and plans which all focus on achieving the vision for East Lothian. These plans and strategies are pieces of the jigsaw (or Golden Thread) that form the whole picture of what the Council and its partners are doing to achieve the East Lothian vision. They include:



In addition to the Council Plan, there are a number of complementary proposals and plans which will also drive the capital strategy. Examples are outlined below:

- The **Financial Strategy** sets out a number of requirements to assist capital investment decisions and importantly, manage the associated risk. For the Housing Revenue Account (HRA), the capital Strategy includes recommended limits from the Financial Strategy to maintain an appropriate long-term balance between the various elements of the HRA budget. The ratio of debt charges to income should be no more than 40%, maximising the use and application of capital receipts, capital grant and Capital Financed from Current Revenue (CFCR) in order to minimise the future impact of debt charges. There is also a minimum reserves policy ensuring that the reserve or balance on the HRA should not fall below £1.0 million. This will allow the Council to maintain a cushion against any unexpected increase in costs or loss of income, and to help to mitigate against risks inherent in UK welfare reform proposals.
- The **Local Housing Strategy** is the sole strategic document for housing, bringing together a wide range of housing related priorities into one place and enabling a co-ordinated response in terms of action. The strategic vision for housing in East Lothian is to have healthy, sustainable homes in vibrant communities that meet increasing levels of need, reduce inequalities and improve wellbeing across all stages of people's lives. There is also a strong connection with the East Lothian Health and Social Care Partnership in providing specialist housing to enable independent living where appropriate and supporting the wider integration of health, social care and housing.
- The main aim of the **Local Transport Strategy** is to provide a mechanism for clean, green and safe travel patterns across the County and beyond. The strategy demonstrates how the Council has applied national, regional and local guidance to its operations. The vision for the Local Transport Strategy has been defined as; "East Lothian will have well-connected communities with increased use of sustainable transport modes to access services and amenities". There are four documents that support this strategy; Road Safety Plan, Road Asset Management Plan, Active Travel Improvement Plan and the Parking Management Strategy.
- The central purpose of the **East Lothian Economic Development Strategy** is to identify the opportunities which east Lothian can exploit to maximise its sustainable economic competitiveness. The strategy contributes directly to economic development objectives set out in the East Lothian Plan. Inclusion in the Edinburgh and South East Scotland City Region Deal is a key opportunity for East Lothian and it will be important to ensure East Lothian optimizes potential economic and social benefits through close partnership working including the opportunity to develop aligned initiatives and funding mechanisms available through the City Deal. Each project must take cognisance of the deal and capture benefits that can be delivered through it. The Cockenzie site is a central area of economic development and unlocking the site and adjacent assets is a key development opportunity for East Lothian.
- Effective management of fleet related assets is critical to the delivery and performance of Council services. The **Sustainable Fleet Management Strategy** sets out and controls the management of Council fleet related assets. "Our vision is to provide effective fleet procurement, management, and a workshop maintenance service, with a commitment to significantly reducing our reliance on fossil fuels and to make our assets environmentally sustainable within the UK and Scottish governments' timeline of key deliverables". All asset expenditure will be managed by Transport Services via an agreed sustainable replacement/maintenance plan, appropriately funded from dedicated budget allocations. Transport Services will work with services when additional / high cost assets are required that are outside of the approved replacement/maintenance plan to determine if the need can be met through existing wider fleet assets or confirm the need for service units to identify funds to cover such items.
- The **Climate Change Strategy** sets out the Council's vision and overall aims for a Net Zero Council and a Carbon Neutral East Lothian. It sets out what we will do over the next 5 years towards achieving these overall aims, and the specific targets and actions which will help progress towards achieving net zero.

- Capital spending on assets should be fully aligned to the Council’s Asset Strategy and Management Plan and the annual review of the Capital Strategy will ensure that these are aligned as the strategies are reviewed and developed.
- The Council does not work in isolation to deliver capital investment for the county. The East Lothian Partnership is a partnership across a number of organisations from public, private, third and community sectors working together to make life better for the people of East Lothian. **The Local Outcomes Improvement Plan (LOIP) 2017-2027** provides a commitment by all partners to deliver improved outcomes for East Lothian people, with a focus particularly on reducing inequalities and prevention and early intervention. The East Lothian Partnership aims to work collaboratively across its partners with existing governance arrangements including:
 - **East Lothian Partnership Governance Group** whose core membership includes the partners who have statutory responsibility for governance under the Community Empowerment (Scotland) Act 2015.
 - **East Lothian Partnership Forum**, which brings together a wide range of partners with the aim of actively involving them in the Partnership's work including the Area Partnerships.
 - A number of Strategic / Delivery Groups who play a role in delivering the outcomes in the East Lothian Plan - these include **East Lothian's Area Partnerships**
 - A strategic ‘one council’ approach to capital investment decisions must be adopted, ensuring a joined up approach to investment in community priorities.
- The Council is undertaking a Learning Estate Review to consider how the existing capital programme can meet the challenges of population growth and expanded early years’ provision (1140 hours), creating environments that support excellence and equity. A Learning Estate Investment Plan (LEIP) is in place to outline how the Council intends to realise its ambitions to develop a modern, safe, sustainable learning estate that enhances and supports communities whilst improving the lives of families in an equitable manner.
- The Local Development Plan sets out the planning strategy and policies to guide growth and deliver new required infrastructure, in particular for education, community, transport and employment.

The current volatile economic environment will have an impact on the Council and its community in the years to come. It is essential that the capital investments are targeted to ensure it provides essential investment aligned to Council priorities, to stimulate, and support economic growth. Nevertheless, the on-going financial challenges requires enhanced affordability criteria to be applied to the capital investment programme to protect both current and future Council Tax payers. Within this context, the Strategy focuses on an enhanced review of the Council’s asset base, with a view of maximising capital receipts in order to support transformation of Council services and maintain a level of future capital investment, and minimising on-going revenue costs.

With this in mind, the Capital Strategy will focus on:

- Continuing to support a Capital Investment Programme, which will provide essential investment aligned to Council priorities both in the short and medium term, stimulate and support economic growth and critically, remain affordable based on a clear understanding of both capital and future revenue costs.

- Maximising the capital income available to the Council, and where possible ensuring this is paid in advance of capital infrastructure to minimise borrowing obligations. The Council should seek to ensure capital income is aligned to the delivery of core priorities and requirements ensuring full consideration is given to on-going revenue costs of capital infrastructure, and ensuring staffing resources are prioritised in line with the delivery of key Council priorities.
- In support of ensuring affordability for current and future tax payers, the Council should work to minimise the impact of additional net borrowing on the revenue account by ensuring that use of alternative sources of funding is maximised. Capital expenditure affordability for General Services will be controlled through regular, ongoing review by the Chief Finance Officer, with reference to overall borrowing levels and the impact of debt repayment charges on the revenue budget. For HRA, the ratio of financing costs to rent income should not exceed 40%.
- The Council should continue to manage and review the General Services Loans Fund balance ensuring prudence, maximising the use and application of capital receipts, capital grants, and any flexibility arising from revenue balances, in order to minimise the future impact of debt charges
- Develop an approved five year Capital Plan (for both General Services and HRA) underpinned by longer term models which seeks to minimise net borrowing requirements and is considered affordable both in terms of prudential limits and within the constraints of the revenue budget and wider resource requirements.
- Continuing to manage and review the General Services Loans Fund balance, maximising the use and application of capital receipts, capital grant, and any flexibility arising from revenue balances, in order to minimise the future impact of debt charges.
- Delivering an enhanced review of the Council's assets, which will support the way in which we deliver and support services, minimise future revenue costs, and maximise where appropriate capital receipts which can be used to support future capital investment plans.
- There is a commitment by the Council to identify Common Good assets to ensure that ongoing investment related to these assets is considered and funded appropriately.

GUIDING PRINCIPLES

APPROACH TO BORROWING

The Council is able to borrow money on the money market or from HM Treasury (via the Public Works Loans Board (PWLB)) to fund capital schemes or, on a short term basis, use its own internal resources (i.e. cash flow). However for all capital schemes initially funded from borrowing, the Council will have to fund the principal repayment and interest costs, these ongoing borrowing costs are unavoidable revenue consequences.

Borrowing can only be considered under the guidance contained in the CIPFA Prudential Code whereby, in summary, the Council is required to ensure that all borrowing is both prudent and affordable. The Prudential Code was revised in December 2021 and requires authorities to ensure that decisions for capital expenditure and investment plans are made with sufficient regard to the long run financing implications and potential risks to the authority and include effective due diligence.

The Council takes a prudent approach to capital investment decisions, paying particular regard to service objectives, value for money, sustainability and affordability. Prudential indicators such as the ratio of financing costs to net revenue are used as an indication of the impact of the capital investment plans on the Council's overall finances.

For any new capital business case, which is not self-funded, the responsible manager must, as appropriate, clearly identify and consider the ongoing revenue implications of:

- Fixed interest and principal repayment costs, resulting from borrowing, including borrowing required due to timing of external funding contributions
- Any associated income streams and potential sensitivities
- Project sustainability
- Exit strategies and potential costs
- The relationship between asset carrying values (revalued net book value) in comparison to outstanding debt
- Demonstrating value for money

All of the above should be considered for the life of the asset.

Each business case must clearly identify and consider the ongoing Balance Sheet implications of:

- The expected change in the level of Council Debt
- Address how any changes in asset value would be funded i.e. impairments
- Maintenance of the asset to ensure sustainable use

The Council's Treasury Management Strategy provides further information on the Council's borrowing strategy for the coming financial year.

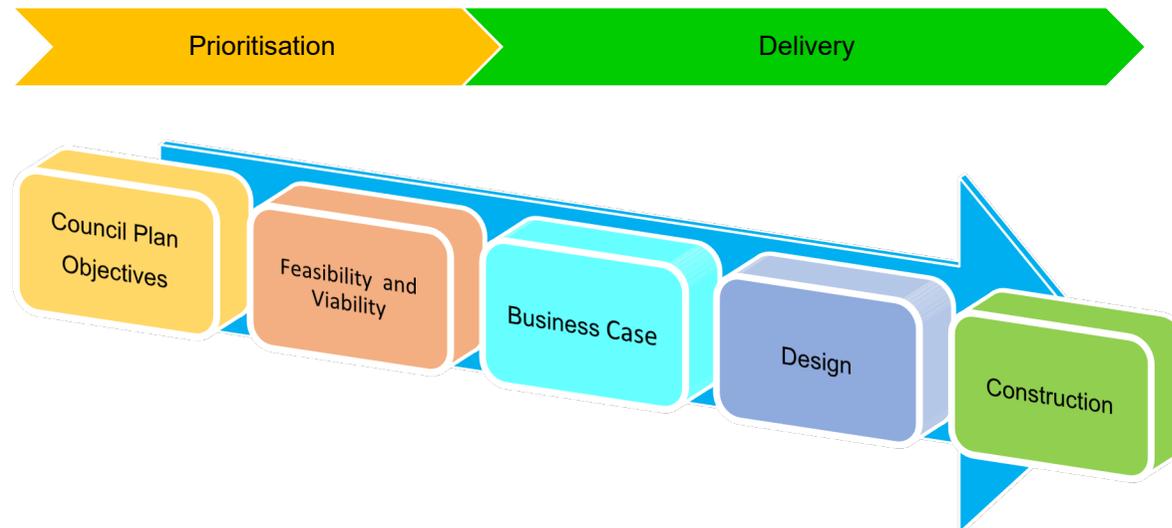
CAPITAL EXPENDITURE BUSINESS CASE

The Capital Business Case will identify the projected running costs and financing costs of the relevant asset and assess the affordability of the proposals both for the initial investment and over the life of the asset. In all cases, the capital expenditure and any ongoing costs must be sustainable in relation to the Council's medium term financial plans.

The business case should take consideration of:

- service objectives and alignment to the Council Plan;
- stewardship of assets, e.g. asset management planning;
- value for money, e.g. option appraisal;
- prudence and sustainability, e.g. risk, implications for debt and whole life costing;
- affordability, e.g. implications for council tax payers; and
- practicality, e.g. achievability of the forward plan.
- The resource requirements required to develop and deliver capital projects

Each project is brought through a standard process characterised by the following stages, which focus and reduce the options taken forward:



PRIORITISATION AND APPROVAL

It can be difficult for a Council to make choices between competing priorities considering the varied and many services that it provides, balancing delivery of Council Plan objectives against wider statutory obligations within the constraints of affordability. It is the responsibility of senior officers and members to consider and prioritise the competing demands for capital resources in the context of local government funding awarded.

Like many public sector bodies, the Council has experienced significant delays in the physical progress of projects against the approved profile and some cost overruns. This can be directly linked to the size of the programme, capacity to deliver and over optimism about the project in terms of cost, time and external factors outside of the Council's control. When capital schemes are approved their inclusion into the capital programme is based on best estimates and slippage is measured against the approved profile at the end of the financial year. The Council will need to ensure that all projects being proposed for inclusion can be delivered within the timeframe and budget stated prior to programme entry. Resource capacity and size of the programme will need to be assessed annually as part of the budget setting process and a business case assessment of the potential delivery of major projects, as well as at a programme level, should be carried out annually.

When developing a proposal for inclusion within the capital programme, the proposal must meet at least one of the following criteria:

- **The expenditure is required for statutory reasons, for example to ensure that an asset meets any health and safety requirements;**
- **A self-funding scheme which fits in with strategic planning priority outcomes and resource requirements;**
- **A priority scheme with significant external funding;**
- **A scheme directly focused on Council Plan priority outcomes;**
- **A scheme which will support the delivery of recurring savings within the Council's revenue budget (investment to save);**
- **A scheme which will deliver significant social and health benefits within the housing provision.**

It is essential that capital proposals take cognisance of the associated revenue consequences of the initial investment, and demonstrate that these will be affordable on an ongoing basis.

The Council maintains and reports on a rolling five-year capital plan (including its funding) which is updated and reported to the senior leadership team and members on a quarterly basis. The capital plan will include any capital expenditure re-profiling in the previous quarter.

The capital programme is subject to annual approval by Council and it should be noted that any new schemes being added to the programme outside of the budget setting process would also be subject to approval. Reports and business cases must be submitted to an appropriate group for example (CIAMG (Capital Investment and Asset Management Group) for CAG (Corporate Asset Group), LESM (Learning Estate Senior Managers), HRA Programme Board) prior to formal political approval at Cabinet/Council. There are many groups which consider different elements of the capital plan, and these governance arrangements are currently under review to ensure alignment to the cross party political oversight groups.

The key stages in the Council's prioritisation and approval process for new capital schemes are as follows:

1. The business case can be submitted where a proposal meets the key considerations and Council objectives shown above. The business case would then be considered for progression by the Executive Director for Council Resources and the Head of Finance. Unless there are extenuating circumstances this would be during the capital budget setting process only.

2. For a specific scheme to be approved/funded there will be a requirement for a detailed capital business case. After the initial submission noted above, the capital business cases will be taken through to a wider consultation with the senior leadership and executive teams. Business cases should include evidence of an options appraisal process and its considerations.

If a change in a scheme is to be funded from a previous approval from Council, for example a timing change in construction with no impact to the overall cost of the project, re-profiling of the scheme will be carried out as part of the capital budget setting or monitoring process. This may be a re-profile for slippage or acceleration, depending on circumstances, approval and the maximisation of grant funding opportunities.

If new and confirmed funding is to be used for a scheme to be funded by e.g. a specific grant and if the scheme is supported by the Executive Director for Council Resources, it will be reported to Council.

If a project has a change in cost estimates or scope, an updated business case should be provided which will then go through for Council approval.

Business cases will be subject to annual review and updates, and will incorporate key information required to determine initial and ongoing revenue consequences.

3. Any proposals for invest to save schemes, which are usually funded from prudential borrowing, will also require a detailed business case.
4. Where there is a proposal to transfer capital resources from a previously approved scheme to a new scheme and therefore there is a change to “policy”, the new scheme should be approved by Council with a detailed business case.
5. The Corporate Management Team, Corporate Asset Group and HRA Programme Board alongside Cabinet/Council have responsibility for the oversight and challenge on the delivery of the capital plan including slippage and outcomes.
6. The Council Management Team and Cabinet/Council will receive three quarterly monitoring reports and one outturn report each financial year.

MANAGEMENT AND MONITORING OF THE CAPITAL PLAN

The key objective of the Council's management and monitoring of the Capital Plan is to ensure that all Members and the Council Management Team (CMT) have visibility of the capital plan and the approval of individual capital projects to encourage collective responsibility for the capital expenditure on a project and the success of the schemes themselves.

The Council's CMT should ensure that progress against the programme, in terms of expenditure and timescales, is in line with what has previously been agreed. Where projects are exhibiting cost overruns or delays in the completion schedule, these should be addressed promptly.

Arrangements for approval and monitoring of the capital plan are shown in the Prioritisation and Approval section above, with further information provided within the Executive Director of Council Resources Report below.

GRANT ALLOCATIONS

The Council receives general capital grant funding from the Scottish Government as part of the annual Local Government Settlement. Councils are able to spend this on capital projects that meet local and national priorities to deliver their Single Outcome Agreement or the national Strategic Objective and Purpose.

The Council will consider any possible flexibility in funding streams to seek to ensure that funding is deployed to provide maximum benefit in line with the parameters of the legislation.

Specific Capital Grants, also known as specific purpose grants or ring-fenced grants, are also received and may only be used by local authorities to fund specific capital expenditure. The terms and conditions of each grant are set out separately in the grant offer letters.

The government provides local authorities with some Specific Capital Grants through the Local Government Finance Settlement. Additional Specific Capital Grants are paid to local authorities in Scotland outwith the Local Government Finance Settlement.

The Council can bid for additional external grant funding outwith these funding routes, aligned to support corporate priorities or statutory service objectives and where it can be proved that the project is sustainable, and requirements for match-funding and future revenue consequences have been considered and approved.

CAPITAL RECEIPTS AND CAPITAL CONTRIBUTIONS

The Council receives capital receipts and contributions from:

- Asset Disposals – all capital receipts will be held corporately and used to fund future capital investments or offset debt charges.
- Developer Contributions – unless there are service specific conditions on the use of the contribution, the monies will be used to support existing Council priorities and commitments rather than be allocated to new schemes.
- Second Homes Council Tax payments – used for the provision of affordable housing.
- Grant funding from other bodies

The Council is able to use revenue funding and reserves for capital schemes. However, as a result of competing revenue budget pressures and the continued reduction in government support for revenue expenditure, the Council's policy is generally not to budget to use revenue or reserve funds to directly fund capital projects after the feasibility stage.

Where possible, the Council should seek to secure and receive external funding contributions in advance of expending funds on capital projects. Where funding is received in arrears of expenditure, a borrowing requirement can arise which can place additional pressure on debt charges and revenue budget.

As part of the Council's reserves balance and in line with the reserves strategy, the Council has in place the following reserves that can be applied to offset the cost of future borrowing. These funds are not currently reflected to finance existing approved capital investment plans, but remain within the wider Council's General Fund reserves. This remains subject to regular ongoing review.

- Capital Fund & Capital Receipts - established from Capital Receipt income which has not yet been applied in year. This Fund can be used to either reduce loans fund advances or providing funds to cover the principal repayments of the loans fund. Generally capital receipts will be treated as a corporate resource. There is no equivalent fund balance within the HRA account principally due to the cessation of the Right to Buy.
- General Services Capital - established in recent years from flexibility from year end underspends, in order to mitigate against the future impact of growing capital infrastructure commitments.
- Council Tax 2nd Homes - An earmarked fund established by reducing the second home or empty property Council Tax discount for the development of affordable housing. Under Scottish Government direction, Local Authorities can now use this income to support the development of affordable housing, including the disbursement of funds to other organisations or individuals, as well as RSLs.

ALTERNATIVE FUNDING AND DELIVERY OPPORTUNITIES

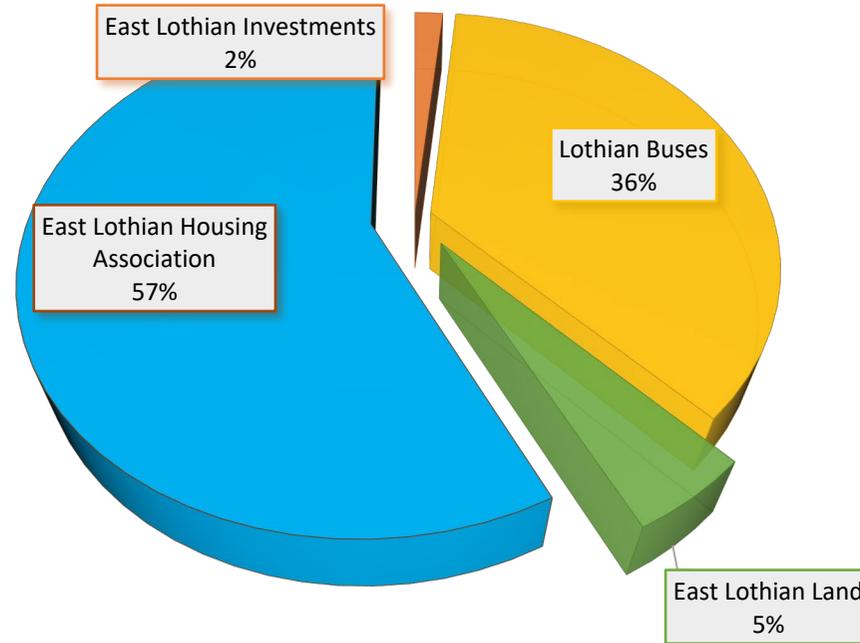
The Council, as appropriate, will continue to consider other methods of supporting capital expenditure within East Lothian and can use its assets to support schemes or aim to maximise funding from any source possible.

The Council continues to bid for additional external funding and/or work with other bodies to secure capital investment or consider use of its own assets in a development, but restricts schemes to those that support corporate priorities or statutory service objectives and where it can be proved that the project is sustainable. Requirements for match-funding and future revenue consequences must be considered and approved along with an assessment of the opportunity costs of alternative options. All schemes are to be agreed with the Executive Director for Council Resources prior to submission and/or contractual commitment.

PROPORTIONALITY OF NON-TREASURY INVESTMENTS

Non-treasury investments include material investments in subsidiaries, joint ventures, loans to third parties and financial guarantee activities and are separate from the day-to-day treasury management activities. The Council holds non-treasury investments in East Lothian Land, East Lothian Investments, East Lothian Housing Association and Lothian Buses to the value of £13.0 million. The Council also holds investment balances with Investec for Common Good and Trusts. Non-Treasury Investments represent investment for service reasons to meet the needs of the people of East Lothian. They are investments for areas such as transport, investment in growth for the county and social housing. They do not generate a return in monetary terms but result in a social, economic or environmental gain.

SERVICE INVESTMENTS £13.0M



ASSET DISPOSAL STRATEGY

Purchases of assets are primarily to be retained in the long term. However, the Council Management Team will regularly review the asset base to consider where the costs of maintaining any assets outweigh the ability of the asset to fulfil its role in the delivery of services. The review will need to consider the resulting impact on the Council's operational delivery and any costs of disposal.

The strategy for fleet assets is that where the fleet life has not expired but due to either reliability, being beyond economical repair or unable to be reallocated due to changes in service requirements, assets will be disposed. Where the fleet life has expired, either an asset will be held for ongoing use or sent to auction for disposal. Auction disposal provides transparency and provides best disposal value. At all times when considering fleet replacement/disposal overall fleet efficiency is a key consideration.

The strategy for asset disposal is that if an asset is no longer required for service delivery and does not meet the criteria for retention or for inclusion within the non-operational property portfolio, the asset will be declared surplus to the Council's requirements and will be placed on the market for sale. Where a market sale may not be achievable, for example if the market is depressed, retention and inclusion of the asset within the non-operational property portfolio may be considered, provided the following criteria are met:

- market demand – there is a good letting prospect
- suitability for inclusion in the non-operational property portfolio
- good revenue potential with minimal short to medium capital outlay
- good potential for medium to long term capital growth

There is also the option for a community asset transfer to take an asset out of use by the Council. Part 5 of the Community Empowerment Act from the Scottish Government introduced a right for community bodies to make requests to all Scottish Local Authorities, Scottish Ministers and a range of public bodies for any land or buildings they feel they could make better use of. A request can be made for ownership, lease or other rights as they wish. The Council must transparently assess requests against a specified list of criteria, laid out in the Act, and agree the request unless there are reasonable grounds for refusal.

Surplus assets are managed during the disposal process to minimise vacant property, maintenance and security costs.

All capital receipts will be held corporately and used to either offset debt charges or fund future capital investments.

TRAINING AND SKILLS

The Corporate Finance Capital and Treasury teams have responsibility for both the preparation of and on-going management of the capital and treasury management strategies and Capital Programme. The team is staffed by professionally qualified accountants with extensive Local Government finance experience. Team members attend relevant training courses, workshops and events to ensure that their knowledge and skills are up to date and the Council is in a position to address all new technical developments. They follow a Continuous Professional Development Plan (CPD) as part their individual accountancy accreditation. The overall responsibility for capital and treasury activities lies with the Council's Section 95 Officer who, in accordance with statute, is professionally qualified and is suitably experienced to hold the post.

The Council aims to provide training to Members on a regular basis, which is delivered by Council officers and external advisors. This ensures Members have a full understanding of key issues and have the appropriate knowledge and skills to make capital and treasury decisions. Members are updated on developments and issues of significance throughout the year, with information presented to the Audit and Governance Committee (for Treasury Management), Cabinet and Council meetings as part of the Financial update (monitoring) reporting.

The Council currently uses the Link Group, Treasury Solutions as its external Treasury Management advisors and recognises that it is essential to engage with external providers of Treasury Management services in order to acquire access to specialist skills and resources.

TREASURY MANAGEMENT LINKS

All capital decisions to be funded by prudential borrowing will directly affect the Council's Treasury Management activities. The level and timing of the capital expenditure will be reflected in the capital plan once approved and in the strategic cash flow forecasts to plan for the required borrowing.

The resulting costs and any income to fund those costs will be included in the standard budget monitoring and budget setting process. The annual setting of both the Operational and Authorised Limits (for borrowing) will also monitor total borrowing.

BALANCE SHEET CONSIDERATIONS

The impact of capital projects and any prudential borrowing taken have an impact on the Council's balance sheet.

1. Increase in the value of the Council's non-current assets
2. Increase in the Council's long-term borrowing
3. Maturity profile of borrowing and repayment of borrowing
4. Profile of loans fund repayments
5. Increase/decrease in Capital Financing Requirement (CFR)
6. Annual depreciation on operational assets
7. Regular revaluation or impairment on operational assets
8. Impact on Council's cash flow in delivery stage or on purchase
9. Impact on Council's cash flow at time of borrowing

EXECUTIVE DIRECTOR OF COUNCIL RESOURCES: STATEMENT ON DELIVERY, AFFORDABILITY AND RISK OF THE CAPITAL STRATEGY

BACKGROUND

The capital strategy is designed to comply with the requirements of the CIPFA Prudential and Treasury Management Codes and the relationship between the Council's capital programme funding and the resulting treasury management activity and the implications for future sustainability considering affordability and sustainability.

SUMMARY OF THE TREASURY POSITION

The table below shows the Council's current forecasted borrowing position and borrowing need including the Capital Financing Requirement (CFR). The CFR is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is a measure of the Council's indebtedness and the underlying borrowing need. Any capital expenditure which has not immediately been paid for through a revenue or capital funding stream, will increase the CFR.

The Council has a number of on-going Public Private Partnership (PPP) and lease arrangements shown as Other Long-Term Liabilities (OLTL) in the table below. The Council currently had £45.919 million (at the end of 2023/24) of OLTL within the CFR.

The Council's actual level of borrowing at the end of 2023/24 was £473.717 million. The Council is currently in an under borrowed position. Under borrowing is the difference between the CFR and external debt. This means that the capital borrowing need is not fully funded by external debt but is supported by the Council's reserves and working balances as a temporary measure.

**Actual Debt and the Capital Financing Requirement (CFR)
(including Other Long Term Liabilities)**

£'000	2023/24 Actual	2024/25 Q2 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
External Debt						
Debt at 1 April	441,503	493,789	566,792	620,399	626,702	640,128
Expected change in Debt	52,286	73,002	53,607	6,303	13,426	26,202
Other long-term liabilities (OLTL)	32,214	30,688	29,105	28,095	26,983	25,839
Expected change in OLTL	(1,526)	(1,583)	(1,010)	(1,113)	(1,144)	(1,205)
Actual gross debt at 31 March	524,477	595,897	648,494	653,685	665,967	690,965
Capital Financing Requirement	625,040	688,308	731,852	760,057	783,282	823,412

The CFR does not increase indefinitely, as annual repayments from revenue are made which reflect the useful life of capital assets financed by borrowing. The repayment of loans fund advances ensures that the Council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years as per Section 2.3 of the Treasury Management Strategy 2024/25.

The operation of the loans fund is regulated by statute, with the latest regulations: (The Local Authority (Capital Finance and Accounting) (Scotland) Regulations 2016 (the 2016 Regulations)) being in force from 1 April 2016.

It is important to note that the Council has for a number of years been projecting a significant borrowing requirement but has not yet needed to undertake the full projected borrowing as there has been reprofiling of the Capital programme and working balances available, resulting in an under borrowed position.

EXECUTIVE DIRECTOR OF COUNCIL RESOURCES REPORT

The Prudential Code states that it is the responsibility of the Council's Chief Finance Officer (Executive Director for Council Resources) to explicitly report on the affordability, deliverability and the risks associated with this Strategy. These key elements are set out in the following paragraphs.

Affordability is a key criterion when considering whether a project should be approved for inclusion within the Capital programme. Before any decisions are made, new schemes must be underpinned by a business case identifying the expenditure and funding, appraisal of alternative options and the risks and rewards associated with the scheme. The Business Case preparation and consideration process is set out fully in the Capital Business Case and Prioritisation and Approval sections of this Strategy.

All projects must also have a clearly identified capital funding source with a definite commitment of financial support if external funding, such as an external grant, is to be used. Also, there must be an identified source of funding to support any on-going revenue costs associated with the use of a capital asset, and these must be built into future years financial projections.

Where borrowing is to be used, the affordability test is the ability to fund interest costs linked to the borrowing, together with the statutory repayment of the borrowing (the loans fund charge). This repayment is matched to a prudent asset life and any income streams estimated to fund this asset must be sustainable. The 2016 Regulations set out the requirements for the appropriate governance of such borrowing and the Council's processes comply with the requirements of the Regulations.

The **delivery** of the individual projects within the Capital Programme is directly linked to the process of approving the capital scheme. Each scheme has a project sponsor and a manager responsible for the delivery and the subsequent achievement of the scheme objectives.

The Corporate Asset Group (CAG) meets on a regular basis to discuss and make decisions on areas such as the Community Intervention Fund and any Community Asset Transfer requests as well as the wider capital plan. The Asset Project Board meets on a monthly basis to discuss and support the asset review and regular engagement with members of all parties continues.

Project updates are provided at the regular meetings of CMT as well as an overarching update on the Capital Programme. This facilitates the review and challenge to the delivery of projects and any changes to both the timing and value of the programme. In addition, an annual Financial Review of the Capital Programme is completed each year and submitted to full Council. The financial review process should ensure that all schemes are examined to determine whether they are still aligned to corporate priorities. In year quarterly reporting also considers the deliverability and progress of schemes including any reasons for delayed starts or variations to approved budgetary allocations. It also considers re-profiling of planned expenditure and identifies any unutilised or underutilised resources, which could be reallocated to other projects.

The Council's senior officers also have the opportunity to review and challenge project and programme delivery via monthly updates on the changes/re-profiling of expenditure.

The Council is exposed to a range of **risks** with regard to the continued affordability and delivery of the Capital Programme as follows:

- Financial risks related to the investment of the Council's assets, cash flow and market volatility;
- Macroeconomic risks related to the growth or decline of the local economy, interest rates, inflation and the wider national and global economy.
- Inflationary pressures may have adverse financial implications for other approved capital projects that are currently under development;
- Insurance risks whereby some contractors are either unable or unwilling to put policies and cover levels in place which meet the Council's requirements. Equally, some insurers are broadening the scope of policy exclusions which may mean some construction risks are uninsurable;
- Credit and counterparty risks related to investments, loans to public and private institutions;
- Operational risks related to operational exposures within its organisation, its counterparties and partners;
- Strategic risks related to key initiatives undertaken by the Council such as areas of organisational change deemed necessary to enable the Council to meet its goals and objectives, significant capital schemes, major acquisitions and new ventures;

- Reputational risks related to the Council's dealings and interests, and the impact of adverse outcomes on the Council's reputation and public perception;
- Environmental and social risks related to the environmental and social impact of the Council's strategy and interests. This is a risk that is becoming more high profile given the recent national and international publicity in relation to climate change;
- Governance risks related to ensuring that prudence and careful consideration are prominent in the Council's decision-making, augmented by quality independent advice and appropriate checks to ensure that the Council has the correct level of oversight, scrutiny and efficiency; and
- Risks arising from a financial commitment by the Council in line with Government policy when that policy is then changed mid-stream leaving the Council to manage the position.

CONCLUSION

Managing the Council's risks is an area of significant focus for senior management and Members. It is important to recognise that there are significant risks associated with a large capital programme and associated borrowing, but as far as possible these are mitigated as part of the Council's Treasury Management Practices.

As advised above, where there is a robust capital business plan process, project management arrangements and/or project boards in place and all projects are delivered by suitably skilled staff. Appropriate consideration is also given to tax (VAT) planning, cash flow and the operational planning and resource implications for the use of any asset. Governance is addressed by the establishment of officer/Member working groups with regular and transparent reporting. Due diligence is undertaken on loans and purchases and external advice is sought where necessary.

There are clear links from the Capital Strategy to the Financial Strategy and Treasury Management Strategy, prudential indicators, authorised borrowing limits and the revenue budget. These are also subject to review and oversight by Members at Audit and Governance Committee, Cabinet and Council.

Risk increases with any new borrowing and officers and members must be mindful of this when considering funding arrangements for capital investment. New borrowing will increase the Council's annual level of fixed interest and repayment costs which are already currently forecast to increase in the coming years and could have a borrowing liability of £690.985 million by the end of 2028/29.

Because of this, monitoring and reporting arrangements must allow for capital plans to be regularly revisited and updated with reference to ongoing considerations around prudence, affordability and sustainability.

The pace and level of change in the Council's borrowing is still significant and all members need to be fully informed as to all implications of its capital investment decisions with particular bias on those funded from borrowing.

APPENDIX A

KEY RATIOS AND PRUDENTIAL INDICATORS

Note: Years 2025/26 – 2028/29 are budgets approved in February 2024

Ratio of financing costs to revenue stream

	Year End 2023/24 £'000	Qtr 2 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000	Estimate 2028/29 £'000
General Services						
GS Revenue Stream	304,916	321,422	329,986	337,019	342,460	348,155
GS Financing Costs	13,000	16,830	24,969	20,196	20,223	20,327
Ratio - Financing/Revenue Stream	4.26%	5.24%	7.57%	5.99%	5.91%	5.84%
HRA						
HRA Revenue Stream	37,789	40,854	43,381	46,144	48,975	52,062
HRA Financing Costs	12,521	14,380	16,322	18,139	19,225	20,459
Ratio - Financing/Revenue Stream	33.13%	35.20%	37.63%	39.31%	39.25%	39.30%

Actual Debt and the Capital Financing Requirement (CFR) – excluding Other Long Term Liabilities

	Year End 2023/24 £'000	Qtr 2 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000	Estimate 2028/29 £'000
Total External debt at start of year	441,503	493,789	566,792	620,399	626,702	640,128
Expected/Actual change in debt	52,286	73,002	53,607	6,303	13,426	26,202
Actual/Estimate gross debt at 31 March	493,789	566,792	620,399	626,702	640,128	666,331
The Capital Financing Requirement	579,120	642,897	687,107	716,147	740,058	780,991
(Under)/Over borrowing	(85,331)	(76,106)	(66,709)	(89,445)	(99,929)	(114,660)

Authorised Limit for External Debt

	Year End 2023/24 £'000	Qtr 2 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000	Estimate 2028/29 £'000
Borrowing	636,000	726,000	733,000	732,000	726,000	742,000
Other long term liabilities	31,000	30,000	30,000	30,000	30,000	29,000
Total	667,000	756,000	763,000	762,000	756,000	771,000

Operational Boundary for External Debt

	Year End 2023/24 £'000	Qtr 2 2024/25 £'000	Estimate 2025/26 £'000	Estimate 2026/27 £'000	Estimate 2027/28 £'000	Estimate 2028/29 £'000
Borrowing	594,352	656,249	662,600	657,260	659,202	703,756
Other long term liabilities	30,688	29,104	29,105	29,105	29,105	28,095
Total	625,040	685,354	691,705	686,365	688,307	731,851



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REPORT TO: East Lothian Council
MEETING DATE: 10 December 2024
BY: Chief Executive
SUBJECT: Corporate Risk Register 2024-25

4

1 PURPOSE

- 1.1 The Corporate Risk Register was last fully reported to Council in April 2024. Within the context of developing international, national and local risks impacting on delivery of Council services and local communities, the Corporate Risk Register, although live, is being reported to Council given the continued substantial levels of heightened risk.
- 1.2 The significant economic factors driving increased financial pressures and risks for the Council have been incorporated into the relevant risks across the Corporate Risk Register. Any further risk developments impacting on the Council in the period from 25 November 2024, will be reported verbally at Council in presentation of this report.

2 RECOMMENDATIONS

- 2.1 It is recommended that Council approves the Corporate Risk Register and in doing so, the Council is asked to approve that:
 - The Corporate Risk Register is maintained as a 'live' document which will be reviewed by the Council Management Team (CMT), the CMT sub-group on Risk Management, Service Management Teams (SMT), risk owners and the Corporate Risk Management Group on a regular basis and reported back to Council as and when required;
 - agree that the relevant risks have been identified;
 - agree that the significance of each risk is appropriate to the current nature of the risk;
 - agree that the total profile of corporate risk can be borne by the Council at this time in relation to the Council's appetite for risk but in the context of the planned mitigations; and,

- recognise that, although while Corporate Risks require close monitoring and scrutiny over the next year, many are long-term risks for the Council that are likely to be a feature of the risk register over a number of years.

3 BACKGROUND

- 3.1 In keeping with the Council's Risk Management Strategy and reflecting upon the concurrent and constantly changing nature of risks managed by the Council, the Corporate Risk Register, although live, is being reported to Council given the continued substantial levels of heightened risk. The Corporate Risk Register considers the international, national and local risk factors impacting on the delivery of Council services and is also informed by the impacts of business continuity arrangements currently deployed in some services across Council.
- 3.2 The 2024-25 Corporate Risk Register as at 25 November 2024, currently includes 5 Very High Risks, 9 High Risks, 6 Medium Risks and 1 Low Risk.
- 3.3 A CMT sub-group on Risk Management meets on a bi-monthly basis to monitor and drive Risk Management Council-wide and to review the Corporate Risk Register. This group includes the Executive Directors and ensures that Risk is given prominence by CMT.
- 3.4 Risk CR1 on 'Managing the Financial Environment' continues to have both current and residual risk scores of 25 (this continues to be the highest risk scoring the Council has reported), due to the very significant external pressures the Council is facing, including a wide and significant range of external and inflationary cost and demand pressures, significant increased cost of borrowing and consequences of national pay awards.
- 3.5 Risk CR3 has been retitled Homelessness and Housing Pressures and updated to reflect the Council declaring a formal Affordable Housing Emergency on 12 November 2024 and the measures around this. The current score has been increased from 20 to 25 due to the Affordable Housing Emergency.
- 3.6 Risk CR5 on Refugee/Asylum Schemes has had its residual score increased from 12 to 16 and will be re-assessed following the ongoing discussions with Scottish Government and the Home Office around the increase in numbers of UASC children coming to East Lothian.
- 3.7 Risk CR17 on Failure to meet Equality Act requirements has recently had its current risk score increased from 6 to 9 due to the introduction of the Prevention of Sexual Harassment duty which places an anticipatory and preventative duty on employers to take reasonable steps to prevent harassment. Planned measures have been put in place to mitigate the risk and bring the score back down to 6.
- 3.8 Council can be reassured that CMT, its Sub-Group, the Corporate Risk Management Group and its Linking Risks Sub-Group, continue to closely monitor all Corporate Risks. Management of our risk environment is informed by global and national risks, via the annual Global Risk Report produced by the World Economic Forum in January each year, by the Scottish Government's

National Risk Assessment (NRA) and the UK National Risk Register which are produced annually. Every effort is made to ensure that the Corporate Risk Register reflects current and future risks with appropriate mitigations in place.

- 3.9 The Council’s Corporate Risk Strategy is reviewed annually and was reported to Cabinet on 14 March 2023.

4 POLICY IMPLICATIONS

- 4.1 In approving this report, the Council will be ensuring that risk management principles, as detailed in the Corporate Risk Management Strategy, are embedded across the Council.

5 INTEGRATED IMPACT ASSESSMENT

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

6 RESOURCE IMPLICATIONS

- 6.1 Financial –The financial impact of the corporate risks and mitigation measures remain under close monitoring and review, aligned with the Council’s Financial Strategy. Any unplanned and unbudgeted costs that arise in relation to any of the corporate risks identified will be subject to review by the Council Management Team, and if required will be reported to Council.
- 6.2 Personnel – There are no immediate implications impacting on the administration and oversight of the Corporate Risk Strategy and Framework.
- 6.3 Other – Effective implementation of this register will require the support and commitment of the risk owners identified within the register.

7 BACKGROUND PAPERS

- 7.1 Appendix 1 – Corporate Risk Register 2024-25

AUTHOR’S NAME	Scott Kennedy	
DESIGNATION	Team Manager - Emergency Planning and Resilience	
CONTACT INFO	skennedy@eastlothian.gov.uk	01620 827247
DATE	25 November 2024	

Risk Ref.	Risk Category	Risk Description	Existing Risk Control Measures	Risk & Controls Owner	Assessment of Current Risk			Planned Risk Control Measures	Assessment of Residual Risk [With proposed control measures]			Planned Control Owners	Timescale for Completion / Review Frequency	Evidence held of Regular Review
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ELC CR 1	Financial Service Objectives	<p>Managing the Financial Environment</p> <p>The financial environment continues to present substantial risks to the council's capacity to meet its objectives and sustain service provision. The in year financial outlook at quarter 2 indicates a significant in year and recurring budget pressure. In addition, the Council faces a significant funding gap, estimated to be in excess of £21 million in the coming financial year, rising to £65 million over the next 5 years. This represents approximately a fifth of the council's annual running costs.</p> <p>This is compounded by a growing range of external cost and demand pressures, policy and legislative obligations and financial pressures aligned to population growth, including:</p> <ul style="list-style-type: none"> The level and complexity of national funding with current resources being made available not keeping pace with growing demands, and around 70% of national funding being 'directed' to support specific policy obligations and settlement conditions. Impact of national settlement conditions including the 2024/25 Council Tax freeze, and uncertainty around Scottish Government's future position on this continue to have an adverse and recurring impact on resources available to the Council to fund sustainable local services. Significant increased cost of service delivery arising from previous high inflation and pay settlements. Growing demands for services aligned to on-going cost of living challenges and legislative change Increased cost of supporting services aligned to significant sustained and projected population growth, including the cost of new associated infrastructure such as new schools. Significant challenges in supporting capital infrastructure requirements including: <ul style="list-style-type: none"> High interest rates High costs of construction Increased gap between approved S75 contributions and cost of infrastructure aligned to growth Investment needed to support an aged and wide-ranging asset base, including servicing on-going maintenance of these assets, and emerging challenges 	<p>The Council has approved a budget for 2024/25 and identified future financial projections for the next 5 years, which includes the delivery of in excess of £15million of planned savings.</p> <p>The Council has an approved financial strategy which is refreshed annually and sets out a series of critical enablers aligned to supporting transformation and future sustainability of service provision.</p> <p>The budget development framework incorporates a cross party budget working group, which meets regularly throughout the year to progress budget development options.</p> <p>A new Transformation Strategy has been approved by Council. A wider review and prioritisation of the Transformation programme has been completed and aligned to supporting financial sustainability and shaping services for the future, with an agreed list of projects for 2024/25.</p> <p>The Council annually refreshes the Financial Strategy, Capital Strategy and Treasury Management Strategy to take cognisance of any new / emerging financial risks. These documents support the medium-term financial planning for the organisation.</p> <p>The Council has an approved reserves strategy, which sets out the current level of reserves and associated commitments, including a requirement to maintain a minimum level of uncommitted reserves to support any unforeseen event.</p> <p>The Council has a wide range of on-going cost control and financial management arrangements to manage in year budget performance and delivery of planned efficiencies. This includes regular management information to CMT and quarterly financial reporting to Council.</p> <p>The Council has an enhanced range of urgent cost control measures aimed at mitigating and limiting the scale of these rising costs. Elected members are kept informed of the financial position through regular update reports to Council.</p> <p>Significant national lobbying and stakeholder discussions highlighting the</p>	<p>Chief Executive</p> <p>Executive Director of Council Resources (CFO)</p> <p>Head of Finance</p> <p>EMT / CMT</p>	5	5	25	<p>Enhanced programme of monitoring of Council's budget aligned to risk currently being developed.</p> <p>On-going review of Capital Planning and capital infrastructure priorities.</p> <p>Budget model and projections for 2025/26 onwards to be updated in December following receipt of draft local government financial settlement.</p> <p>The Council 'reset' the Council Plan to 3 overarching key priorities at its meeting on 27 February 2024 and officers are currently progressing work to develop an action plan aligned to focus resources and service delivery.</p> <p>Continue to support national discussions through CIPFA Directors of Finance aligned to ensuring the on-going financial sustainability of local government.</p> <p>On-going engagement with Scottish Government and COSLA on local government funding and distribution to support a fair and adequate allocation of resources to deliver local services.</p> <p>Continue to review the budget development proposals and financial modelling and ensure that these are shared through the cross-party budget group. Seek to identify further budget savings which will support sustainable service delivery.</p> <p>Continue to engage with Scottish Government and COSLA to adequately resource the funding requirements associated with population growth arising from the Local Development Plan, taking into consideration both revenue and capital costs.</p> <p>Continue to support regional placed based funding discussions with City Region Deal Partners.</p> <p>Continue to progress conversations with Scottish Government for</p>	5	5	25	<p>Executive Director for Council Resources / Head of Finance / Council Management Team</p>	<p>December 2024</p> <p>February 2025</p> <p>December 2024</p> <p>April 2025</p> <p>February 2025</p> <p>February 2025</p> <p>February 2025</p> <p>February 2025</p> <p>February 2025</p>	<p>Risk fully reviewed by Executive Director Council Resources (CFO) and Head of Finance, November 2024, with no changes to risk scores.</p> <p>Risk reviewed by Head of Finance and Executive Director Council Resources, August 2023 with residual score increased to 25 given the scale of the current financial challenge.</p> <p>Risk refreshed November 2022 by CMT Sub-Group on Corporate Risks with current score increased from 20 to 25 and residual from 16 to 20 due to the current climate.</p>

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		<p>posed through the identifications of RAAC/</p> <ul style="list-style-type: none"> Meeting the cost of enhanced infrastructure policy obligations including net zero. There remains on-going uncertainty relating to the proposed national capital accounting review, which could result in changes in accounting for capital infrastructure and may ultimately result in significantly increased cost to local taxpayers. <p>The level of unallocated reserves being held by the Council as a contingency to mitigate any unforeseen events remains very low relative to the concurrent risks the Council is currently facing. The Council aims to hold a minimum level of reserves of £7.6 million. Given the current level of in year overspend and future financial projections, there remains a high degree of risk that this may not be sufficient to meet current / future unplanned events.</p> <p>The Council approved a budget for 2024/25 and forward financial plans on 20 Feb 2024 which includes the delivery of £8.1m savings in 2024/25 and over £15 million over the next 5 years. In addition, the Council approved savings plans which includes an anticipated delivery of £20m of capital receipts over the next 5 years. The need to deliver these savings remains an essential part of current and future financial strategy, but the timing and delivery of this scale will be challenging. Should these savings not be deliverable, alternative proposals will need to be quickly identified to close the financial gap.</p> <p>The IJB has a very significant funding gap being faced in 2024/25 and in future years. There remain enhanced risks relating to the ability for the IJB to meet the level of planned savings aligned to delegated Council budgets and wider demand. Should this materialise and the IJB remain unable to meet the wider savings gap, this may result in an additional financial pressure for the Council.</p> <p>Given the significance of the financial pressures, there is a risk that the Council will not be able to continue to deliver all of its current and future obligations within the resources which are now available. The financial resilience and sustainability has now reached a critical stage, and the Council must now focus on redesigning services to ensure on-going financial sustainability.</p>	<p>specific challenges being faced by this Council aligned to a growing population continues at both political and officer level.</p> <p>The Council continues to actively support discussions and lobbying at both political and officer level setting out the scale of the funding challenge facing Local Government.</p> <p>Continue to prioritise and support the statutory annual audit process. The accounts for 2022/23 were signed on 20 March 2024.</p> <p>A 'Budget Insights' communications campaign has been developed to promote messaging to the public around the challenging financial position facing the council and the risks that this poses to services.</p> <p>Consultation to inform future budget planning has been undertaken as part of the residents' survey.</p>				<p>additional place-based revenue funding for East Lothian.</p> <p>The financial and capital strategies will be refreshed and presented to Council in December.</p> <p>Support national conversations aligned to SOLACE / Improvement Service Transformation Programme.</p>				<p>December 2024</p> <p>April 2025</p>			
CR 2	Financial	<p>Maintenance of Assets</p> <p>The Council has a significant asset base covering a wide range of services. Many of these physical assets require significant capital investment to ensure they meet both condition and suitability asset requirements and will also require significant</p>	<p>Annual update of programme of works based on Condition, Suitability and Statutory Compliance assessments to inform budget requirement and prioritised aligned to available resources.</p>	<p>Service Manages – Strategic Asset & Capital Plan Management (PPP Project)</p>	5	5	25	<p>11</p> <p>On-going monitoring of condition and other data to inform the planned delivery of works required to ensure buildings comply with statutory and legal requirements and are</p>	4	5	20	<p>Service Manages – Strategic Asset & Capital Plan Management And</p>	<p>All measures are ongoing and under constant review as to when they will be in place by.</p>	<p>Risk reviewed by Executive Director Council Resources, Head of Infrastructure ,</p>

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		<p>on-going maintenance to ensure they can be maintained to an appropriate condition.</p> <p>There is a risk that the Council will not have the available financial resource and staffing requirement to carry out essential repairs and maintenance programmes to ensure buildings are maintained in a good condition, and on-going capital investment is required to ensure suitability and condition of buildings remain appropriate and aligned to national conditions.</p> <p>Failure to carry out repairs and maintenance programmes could result in unavailability of buildings e.g. school closure and reputational damage to the Council and could ultimately result in a failure of building elements and impacts on safe operation of an asset with the risk of closure or enforcement by Statutory or Regulatory authorities.</p> <p>Failure to carry out repairs and maintenance programmes could result in injury/loss of life of public building users and legal action against the Council. There is also a high risk to health and safety and of reputational damage.</p> <p>The risks posed through the identification of RAAC/Siporex and subsequent costs from the implications in respect of management, remediation and or total loss of assets.</p> <p>There remains significant cost pressures aligned to on-going cost of construction including challenges around availability and supply of goods/ services.</p> <p>There are a growing range of new policy requirements aligned to public infrastructure and funding including net zero and energy targets, which require additional monitoring, specification requirements and costs. These require significant additional finance commitment and staff resource is required to achieve this, assess the current status, and plan works to bring buildings up to the required standard.</p>	<p>A wider asset review is being progressed by the Council which includes exploring opportunities to repurpose, dispose of, or rationalise assets, and undertake a place-based asset review of existing assets.</p> <p>The Council has in place a Corporate Asset Group, chaired by the Head of Infrastructure, which receives regular reports on any risks which identify impact on the operation or safety of the assets to enable planned action to be considered and implemented.</p> <p>The Learning Estate Project Board continues to be in operation and chaired by Executive Director for Education and Childrens service to review and plan appropriately for the effective use and future strategy for Education estate.</p> <p>Management and survey work to identify RAAC/Siporex and wider investigation is now complete. Significant issues identified within the Brunton Hall has resulted in a decision taken by Full Council in October 2024 to close and mothball the Brunton Hall as soon as possible, with temporary alternative arrangements for service delivery to be put in place, including the relocation of services to alternative locations.</p> <p>There has also been a section impacted within North Berwick Sports Centre. Further analysis and options appraisal remains ongoing.</p> <p>A Properties at Risk Register of most at risk assets has been generated to reflect those assets of greatest concern, where significant investment is required but is currently not immediately available.</p> <p>RAAC / Siporex risk continue to be highlighted at ELC PPP Monthly Meetings and at Innovate Board Meetings. Structural works have been carried out at Preston Lodge High School, removing the requirement for ongoing monitoring of RAAC panels, and all teaching areas are now fully operational. Remedial works have been carried out at Ross High School to enable re-occupation of the dining and kitchen areas, with ongoing monitoring of RAAC panels.</p> <p>Transformational work progressing to move to a Corporate Landlord Model and a fully functional, comprehensive property asset management system, possibly by expanding the capability of the existing</p>	<p>and Estates Non-Operational Properties)</p> <p>Service Manager – Engineering Svcs & Building Stds (Operational Properties)</p>				<p>maintained in a safe operating condition.</p> <p>The service continues to regularly evaluate the current situation as regards material availability and works to mitigate any adverse effects of cancelled or delayed orders for this year's major summer works programme.</p> <p>Review and identify staffing resource required within SACPM, Education and Engineering Services.</p> <p>Identification and management of assets affected by RAAC and Siporex with option appraisals to identify remediation and or demolition and future provision.</p> <p>The Asset and Engineering teams will use both the asset review, available budgets and asset management partnership working to identify temporary and permanent solutions.</p> <p>Contingency plans are being prepared to mitigate restricted use or unavailability of parts of buildings following assessments. Council Management and Executive Team to be made aware of emergency planning proposals.</p> <p>The security of secondary school grounds will be reviewed with Education and will be prioritised in terms of risk and available capital and revenue budget. Work is ongoing.</p> <p>The security of primary school grounds will be reviewed with Education and will be prioritised in terms of risk and available capital and revenue budget.</p> <p>Progress with work to support the asset review including Place Based Asset Review which will assist in prioritising future place-based assets and will inform future capital investment opportunities.</p>				<p>Engineering Svcs & Building Stds</p> <p>May 2025</p> <p>March 2025</p>	<p>Service Manager – Strategic Asset & Capital Plan Management and Service Manager - Engineering Svcs & Building Stds November 2024 with no changes to risk scores.</p> <p>Risk reviewed by Head of Infrastructure, June 2023 and scores increased from 20 and 16 to 25 & 20 due to ongoing RACC / Siporex issues and subsequent costs.</p> <p>Risk reviewed by Head of Infrastructure, April 2023 with risks posed through the identification of RACC/Siporex and subsequent costs added. Risk also moved to Corporate Risk Register due to heightened issue. Current risk score increased from 16 to 20 and residual score from 12 to 16.</p>	

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			<p>CIPFA modules held by Engineering Services and Finance.</p> <p>The Learning Estate Strategy was approved by full Council in December 2022. The associated Learning Estate Improvement Plan has been completed and was lodged in the Members' Library in March 2024. This will be used to support works and decision-making associated with the learning estate.</p> <p>Regular engagement with Care Inspectorate re-quality of care environment.</p> <p>Effective repairs and maintenance reporting and health & safety workplace inspections and incident reporting inform asset maintenance programme and response.</p>											
ELC CR 3	<p>Impact on Service Objectives</p> <p>Financial</p> <p>Legal</p>	<p>Homelessness and Housing Pressures</p> <p>Rapid rehousing policy requires the Council to transform homelessness services, place people quickly into permanent accommodation, negating the use of temporary accommodation and requiring a significant reduction in temporary accommodation stock. Resource allocation, further exacerbated by a series of legislative change has been insufficient for service transformation and the approach has resulted in an inability to accommodate those in need, forcing use of B&Bs out-with area / noncontracted.</p> <p>Scottish Government require the implementation of a Housing First approach, although no funding is available for this.</p> <p>Legislative change regarding local connection came into force in 2022 and requires the Council to accept rehousing responsibility for additional homeless cases. This adds to pressures posed by discretion around intentionality. Changes have been enacted without guidance initially, placing the Council at risk regarding threats of judicial review and furthermore, presentations from neighbouring authorities are exacerbating existing pressures. Revised Guidance published October 2024 is likely to result in increased numbers of section 38 referrals to East Lothian. With 33% of homeless assessments in September / October 2024 from households outwith EL, and circa 5-10 live section 38 referrals at end October over and above this, is concerning.</p> <p>Continued levels of low stock turnover results in limited lets available and lengthy average time in temporary accommodation, noted by the Scottish Housing Regulator.</p>	<p>Housing Options preventative approach to provision of advice.</p> <p>More efficient approach taken re Council allocations and RSL nominations.</p> <p>Cabinet approved Homelessness Action Plan in September 2024 including changes to Allocations Policy (removal of 6-month policy and allocation of single person households to 3apts where agreed criteria are met) subject to 6-month review, to encourage quicker throughput to permanent housing, reduce breaches of the Unsuited Accommodation Order and reduce high service costs.</p> <p>An Affordable Housing Emergency was declared on 12 November 2024 outlining pressures across the wider housing system, including homelessness pressures and specifically the ongoing negative impact of changes re local connection.</p> <p>Cabinet approval of allocations targets to general needs / homeless applicants. Performance under ongoing review.</p> <p>Housing First protocol in place and placements ongoing.</p> <p>Significant work completed re-policies and procedures to increase flow via rent deposit scheme.</p> <p>Revised, planned, and strategic approach to allocation of emergency / temporary housing.</p>	Housing Options Service Manager	5	5	25	<p>Further iterations of Rapid Rehousing Transition Plans (RRTP) with clear plans to transform homelessness services kept under regular review in context of resource allocation and changing legislation.</p> <p>Continue new build activity to increase housing stock, exploring potential to further increase supply within context of the growth agenda.</p> <p>Mid-market rent properties coming forward to be targeted at homeless / threatened with homelessness households.</p> <p>The leader will write to both UK and SG asking for an urgent response to the affordable housing emergency. The service will continue to manually monitor homeless assessments for households approaching outwith EL and record and share this information with SG, to inform discussions regarding the declaration of an affordable housing emergency.</p> <p>Housing Options Training Toolkit is being rolled out to Community Housing and Homelessness staff to improve homelessness prevention and complement new Prevention Duty anticipated 2025, with revised approach to be agreed and implemented.</p> <p>Implementation of recent changes to Allocations Policy agreed at</p>	5	4	20	Housing Options Service Manager for all measures	<p>June 2025</p> <p>March 2025</p> <p>March 2025</p> <p>December 2024</p> <p>March 2025</p> <p>May 2025</p>	<p>Risk updated by Head of Housing and Housing Options Service Manager November 2024 with current risk score increased from 20 to 25 due to Affordable Housing Emergency.</p> <p>Decision to move risk H1 to Corporate Risk Register following update by Service Manager – Comm Housing & Homelessness October 2022 with residual score increased from 16 to 20.</p>

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		<p>There is a higher financial cost burden for the general services budget due to increased costs as a result of a retendering exercise as well as increasing demand for suitable temporary accommodation, and lengthy stays.</p> <p>Ongoing breaches of the Unsuitable Accommodation Order due to a shortage of 'suitable' temporary accommodation, with extension of the Order commencing October 2021 and subsequent daily breaches.</p> <p>Enforceable temporary accommodation standards framework implemented from 2021/22 which further reduces the existing portfolio of 'suitable' accommodation and includes specific requirements re occupancy agreements / temporary accommodation handbook.</p> <p>Proposed changes re-new prevention duty poses further risk to existing practice. Implementation will likely result in increased referrals and homeless assessments.</p> <p>Reduced supply of private lets due to landlords' ongoing concerns re Private Residential Tenancy, legislative change (energy efficiency and repairing standard), welfare reform impacts and cost of living increase, resulting in increased rents. This is further exacerbated by reliance on the PRS as a suitable housing option for Ukraine households. A significant increase in LHA rates from April 2024 makes private lets even more unaffordable.</p> <p>The Cost of Living Bill (Scotland) reduced the ability of landlords to recover tenancies to March 2024, resulting in several households presenting and requiring temporary accommodation from Spring 2024. Linked to this, landlords increasingly take action to end tenancies due to mortgage interest rates rising on their homes and / or homes they rent out. Increased service demand due to poverty and relationship breakdown associated with cost of living crisis are also likely to add to pressures.</p> <p>Uncertainty over future funding of supported housing (DWP) and proposed changes in respect of restructuring the financing of temporary accommodation.</p> <p>The policy area of migrant homelessness and destitution is becoming increasingly complex within the context of limited guidance.</p> <p>There are ongoing concerns regarding limited flow through the housing system and inability to accommodate people in emergency accommodation, due to lack of supply. This can impact upon the ability to source emergency accommodation at times of crisis.</p>	<p>Plan in place to reduce service demand via more efficient ways of working and associated plan in place to reduce emergency / temporary accommodation stock accordingly to reduce costs.</p> <p>Two new temporary staff in place September 2024 to enable service transformation.</p> <p>Fortnightly monitoring of voids performance to ensure turnaround times are minimised.</p> <p>The Council Leader has written to and met the Minister noting the challenges around meeting our ambitions to deliver on our RRTP as a result of recent and planned legislative changes, impact of Resettlement schemes and the risk that if interventions don't happen timeously the adverse impacts on our local housing system are significant.</p> <p>Provision of housing options advice to all clients and efforts to mitigate eviction, noting Mortgage to Rent Scheme is available.</p> <p>Review of income via HB and revised policy re furnishing temporary accommodation.</p> <p>A new LHS has been published and approved setting out the challenges and actions for the next 5 years.</p> <p>Monthly review meetings with Finance.</p> <p>The declaration of a formal Affordable Housing Emergency will hopefully enable a series of planned meetings with the SG to consider ways to mitigate the reduction in funding for affordable housing supply.</p>				<p>Cabinet September 2024 (removal of 6-month policy and allocation of single person households to 3apts where agreed criteria is met) to be rolled out from 01 October 2024 and monitored closely.</p> <p>Plan to reduce service demand, temporary accommodation, and associated costs to continue being rolled out and monitored closely.</p> <p>Revised Homelessness Operations Policy is ongoing, alongside comprehensive review of existing policies and procedures, to ensure service is operating efficiently and effectively.</p> <p>Improved partnership working RSLs could potentially result in formal revisions to nominations for single person households.</p> <p>Continue to engage with the Scottish Government to review and monitor the impact that legislative changes and Resettlement Schemes are having on meeting RRTP ambitions to ensure any adverse impacts are addressed quickly, within the context of having declared an Affordable Housing Emergency.</p> <p>Significant resource channelled to improve void turnaround times including establishing a team to address long-term major works voids. Strengthened and dedicated resources in day-to day team, development of performance management framework and high-level progress monitoring re-backlog project and day to day voids.</p> <p>Rollout of revised approach to occupancy agreements / handbooks.</p> <p>Further communication with the Housing Minister is likely, regarding requests for assistance to help alleviate housing pressures, with a focus on the issues presented by local connection and impact on demand for homelessness services, particularly within the context of declaring an affordable housing emergency.</p> <p>Planned tenancy conversions and temporary increase in % allocations</p>				<p>April 2025</p> <p>April 2025</p> <p>April 2025</p> <p>April 2025</p> <p>December 2024</p> <p>April 2025</p> <p>June 2025</p> <p>May 2025</p>			

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					L	I	L x I		L	I	L x I			
		<p>The Regulators has highlighted ELC is at heightened risk from systemic failure.</p> <p>Reduction/slowdown in the Affordable Housing programme can be expected given the recent reduction in SG investment meaning less affordable housing properties coming forward to meet the needs of homeless households.</p> <p>The Homelessness Service is at risk of being unable to operate within budget going forward, due to a combination of rising costs generally, procurement of emergency accommodation which resulted in increasing costs, rising numbers of homeless presentations, in part due to increasing demand from outwith EL, and lengthy periods of time in temporary accommodation.</p>					<p>to increase flow through the system and enable reduction in temporary accommodation to be met.</p> <p>Review of Response, Accommodation and Prevention Teams to enable more efficient ways of working, cost savings and increased focus on prevention for vulnerable groups via service transformation.</p> <p>The City Region is taking a holistic approach to reviewing and understanding the pressures across the region, particularly in relation to Homelessness and Ukraine to help find a more joined up solution</p> <p>Ongoing engagement with SHR to gather further information and assurance re service with an ask to provide updates on capacity to meet statutory duties re-temporary accommodation and UAO.</p>					<p>May 2025</p> <p>April 2025</p> <p>January 2025</p>		
ELC CR 4	Capacity	<p>Risk to Services Delivery due to Workforce Challenges</p> <p>Maintaining a stable and skilled workforce is essential to efficient, effective and safe delivery of services.</p> <p>The Council continues to face on-going workforce challenges to meet the diverse range of services including:</p> <ul style="list-style-type: none"> - Recruitment and retention of staff - High level of sickness absence in some service areas, placing pressure on service delivery - Impact of pay and grading structure and annual pay awards - Attractive employment opportunities in other sectors risks staff migrating out of Council services - Impact of Council financial mitigation measures including enhanced recruitment mitigations - Aging workforce and impact on succession planning <p>Failure to preserve business critical activities within these services could lead to increased risks in respect of 'life and limb' services, financial and severe reputational damage to the Council.</p> <p>Insufficient staff can also lead to an inability to open facilities, or to reducing opening hours/days, impacting on local access to services and reducing community programmes of activity, particularly those supporting early intervention and prevention activities.</p>	<p>The 2023-2027 Workforce Plan was approved by Cabinet (Jan 2023). The 2023-2027 Workforce Plan actions are being implemented.</p> <p>There is a corporate action plan resulting from the Employee Engagement Survey 2023 which has been integrated into the Workforce Plan and actions will be monitored through the Workforce Plan Action Plan, of which CMT has oversight. A 'You said/we did' update on the 2023 Survey has been published.</p> <p>The 2024 Survey was completed by staff in May and the results will be used to inform future iterations of the Workforce Plan.</p> <p>Regular assessment of staffing capacity within services enables redeployment of available resources to maintain frontline service delivery, reducing service provision when essential in non-statutory services.</p> <p>Essential vacancies are advertised within the approved Recruitment & Selection Policy processes and in accord with budgetary control measures instigated by Council in August 2023.</p> <p>Initiatives are in place to help employees manage their own stress, including Employee Assistance Programme, Listening Ears, Healthy Working Lives</p>	<p>Service Manager – People & Council Support</p> <p>Service Manager – Protective Services</p>	5	4	20	<p>Update Management Arrangements on Fire Safety and First Aid</p> <p>Workforce planning to be added to service plan templates.</p> <p>A review of the Council's workforce plan action plan.</p>	5	3	15	<p>Service Manager – Protective Services</p> <p>Transform'n & Digital Portfolio Manager</p>	<p>December 2024</p> <p>March 2025</p> <p>March 2025</p>	<p>Risk reviewed and updated by Head of Communities August 2024 with no change to risk scores.</p> <p>Risk reviewed and updated by Executive Director Council Resources May 2024 with no change to risk scores.</p> <p>Risk updated February 2024 by Service Manager – Customer Services and November 2023 by Service Managers – CP&I and Customer Services with no change to risk scores.</p>

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		<p>Staffing challenges may result in a lack of cross-service staff capacity to meet emergency response requirements and any other concurrent risks which may create risks to public safety, bringing reputational damage to the Council.</p> <p>The Council has a duty of care to the workforce, a breach of which may affect the health, safety and wellbeing of employees leading to increased sickness absence, pressures on service delivery and added potential for employee liability claims against the Council for incidents involving employees or non-employees or enforcement action by the Health & Safety Executive.</p>	<p>Service Reviews involve inputs from HR and Finance to ensure appropriate role and grading definitions within the service and broader corporate context.</p> <p>Business Continuity Plans are activated as necessary, reducing scope and scale of service delivery to focus existing resource on business critical and statutory functions.</p> <p>The Joint Health & Safety Committee and Joint Consultative Committee oversee joint health and safety arrangements for all staff.</p> <p>Service Planning and PRD processes were reviewed in early 2024 and will be reviewed on an ongoing basis.</p>											
ELC CR 5	Physical and/or Psychological Impact on People Legal & Regulatory	<p>Refugee/Asylum Schemes</p> <p>Both the UK and Scottish Government have responded to recent immigration and humanitarian crisis by introducing refugee schemes that largely required to be administered by local authorities, with confirmation January 2024 that changes to visa requirements / schemes will enable Ukraine households to remain in the UK until 2026. These schemes are broader in scope and of a significantly greater scale than previous refugee schemes. Consequently, this means greater demands placed on Council services (including service areas not previously involved) in administering the schemes, supporting hosts and refugees as well as placing additional demand on schools and Health and Social Care services. The challenges posed are further compounded by the requirement for local authorities to commit to accommodating refugees via the cap on safer and legal routes and request to assist Mears regarding local procurement of properties and corresponding support requirements. Current challenges include, but are not limited to:</p> <ul style="list-style-type: none"> Complexity and variation between different schemes and more recent changes to visa extensions to 2026 Constant changing and revision of national guidance, which continues to evolve through ongoing discussion between SG, COSLA, Home Office and local authorities Understanding the scale of and resourcing the challenge in the context of existing commitments to the global refugee scheme, Afghan schemes, Asylum dispersal scheme. Clarity as to whether funding will continue going forward at what level and in what form Two Tenancy Support Officer (refugee and asylum seeker) posts ended Nov 2023 and Feb 2024 with no dedicated resource for this client group. Implementation of mandatory national transfer scheme means the Council must accept an allocation of unaccompanied asylum-seeking 	<p>Regular attendance at meetings with SG, Home Office and COSLA.</p> <p>ELC Ukraine enquiries contact email address set up and ongoing case management of hosts / guests, where appropriate and demand for services reducing / stabilised.</p> <p>Resource requirements of other service areas identified and in operation, including the contribution of colleagues in HR, Protective Services, Finance, Education, Customer Services, Communications Team and HSC.</p> <p>National safeguarding system in place.</p> <p>Unaccompanied Asylum-Seeking Children (UASC) currently being supported by the Aftercare Team in Children's Services, making use of accommodation within the My Place project.</p> <p>Managers attend regular national meetings on best practice.</p> <p>Refurbishment of seven properties in Haddington (Brown Street) for Ukraine households.</p>	Housing Options Service Manager Head of Children's Services (CSWO)	5	4	20	<p>Quantification of future resource requirements to be identified and articulated as new and changing schemes are rolled out.</p> <p>Working closely with SG & COSLA to inform future iterations of Guidance for clarity and confirming with SG & COSLA colleagues that ELC cannot source social housing properties as housing pressure continues to be extreme.</p> <p>Children's services are considering a host families scheme to provide accommodation and support for UASC.</p> <p>Discussions are ongoing with Scottish Government and the Home Office about the increase in numbers of UASC children coming to East Lothian.</p> <p>Work with ALACHO, SOLACE, COSLA and others to ensure future funding arrangements are adequate, in accordance with the revised approach to a 'warm Scots future'.</p> <p>Completion and allocation of seven properties in Haddington (Brown Street) for a small number of Ukraine households to be accommodated in settled accommodation until 2026 as host accommodation comes to an end.</p>	4	4	16	Housing Options Service Manager and Head of Children's Services (CSWO) for all measures	<p>March 2025</p> <p>March 2025</p> <p>June 2025</p> <p>March 2025</p> <p>March 2025</p> <p>November 2024</p>	Risk refreshed by Housing Options Service Manager September 2024 with residual score increased from 12 to 16.

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		<p>young people set by the Home Office. Notification will be short notice and frequency is dependent on rate of arrival in the UK. This presents a resource challenge re-provision of accommodation and social work support. The national local crisis in fostering resources is compounding the service risk.</p> <ul style="list-style-type: none"> A change in Scottish Government policy focus from a 'warm Scots welcome' to delivery of a 'warm Scots future' within the context of wider homelessness and housing pressures. Mears procurement is being carried out with limited communication and arrivals flagged to local authorities with limited notice. 												
ELC CR 6	Reputational	<p>Cyber Security Threats</p> <p><u>External Cyber Security Threats</u></p> <p>There is a risk that the Council suffers a cyber-attack by a 3rd party (e.g. hacker, terrorism, nation state) causing the loss of access to or the destruction of all or part of its IT infrastructure and / or information systems.</p> <p>This could be caused by a direct attack on the Council or indirectly via an attack on a trusted supplier or element of national infrastructure.</p> <p>The attack vectors continue to evolve and in recent months the supply chain has become a favoured route.</p> <p>The current conflicts in Ukraine and the Middle East are resulting in a continuous risk of Nation State led cyberattacks on the UK which could potentially affect National Infrastructure in a way that has a direct impact on East Lothian Council.</p> <p><u>Internal IT Security Threats</u></p> <p>Council IT systems are compromised by the actions of an internal employee - causing the loss of a system, virus/trojan/ransomware infection or loss/disclosure of data.</p> <p>Unpatched/unsecured/hardened "shadow IT" has been identified in some areas this alongside IOT devices. These provide easy path into the ELC network. IT are essentially blind to these devices and systems until they are found and decoupled.</p> <p>Our traditional security architecture needs to align with modern approaches, this has been the key finding for many data breaches, ransomware attacks alongside supply chain attacks which are becoming increasingly intelligent in their attack vectors.</p>	<p>Policy controls in place to dictate the standards for operation and security of our IT assets.</p> <p>Physical controls in place to prevent unauthorised access to ELC data centres.</p> <p>Technical controls in place to obfuscate and prevent unauthorised access to our infrastructure and information systems.</p> <p>Procedural controls in place to ensure access is only permitted where required.</p> <p>Change and patch control processes in place.</p> <p>Follow and apply industry best practice for securing IT Infrastructure and Information Systems.</p> <p>Follow advice and guidance from the National Cyber Security Centre, UK and Scottish Governments, Local Government Digital Office, Scottish Local Authority Security Group and react accordingly.</p> <p>Monthly mandatory online cyber awareness staff training programme in place for all staff and the Council continue to highlight the importance of vigilance with staff.</p> <p>Membership and attendance of the Scottish Local Authorities Information Security Group (SLAISG).</p> <p>Annual IT health checks on the existing infrastructure.</p> <p>New systems are risk assessed and security checked prior to introduction to ensure they meet expected criteria.</p> <p>Digital Strategy and moving services to cloud.</p>	<p>Executive Director – for Council Resources</p> <p>Head of Corporate Support</p>			4	4	16	<p>Contract a 24x7 Network Operations Centre to monitor our network log and perform MXDR/SOC duties</p> <p>ELC to take tech lead for procurement of National SOC project by Digital Office. Initial meetings with 3rd parties around managed SOC/SIEM solution initiated.</p> <p>Recruit IT Security Specialist.</p> <p>Evaluate and initiate project to deploy a "Zero trust" Architecture effectively changing how we handle cyber security internally versus our traditional LAN/WAN based network.</p>	<p>3</p> <p>4</p> <p>12</p>	<p>Team Manager - Infrastructure & Security for all measures</p>	<p>September 2025</p> <p>September 2025</p> <p>December 2024</p> <p>Q4 2025</p>	<p>Cyber Security Risk updated by Service Manager – IT, October 2024.</p> <p>May 2024 Cyber Security and Data Protection risks separated. Cyber Security Risk updated by Service Manager – IT.</p>

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ELC CR 7	Physical and/or Psychological Impact on People Impact on Service Objectives Financial	<p>Climate and Nature Emergency</p> <p>Climate change will increase the severity, duration, and frequency of extreme weather events that will disrupt service delivery and reshape the East Lothian area. The same human activity that causes climate change also causes devastation to the natural environment, which further endangers the quality of our area. The Scottish Government's Climate Change Act (2009) requires the Council to support the delivery of the national net zero targets and adaptation programmes.</p> <p>The risks associated with the responsibilities are:</p> <ul style="list-style-type: none"> Failure to meet our statutory duty under Scotland's Climate Change Act (2009). Failure to meet our statutory duty under the Nature Conservation (Scotland) Act 2004. Lack of financial and staff resources to respond to the climate and nature emergency. Deteriorating natural environment and extreme weather affect our ability to deliver services reliably and to acceptable standards. There are no clear funding paths to meet the budgeted costs to reduce greenhouse gas emissions and adapt to climate change. This includes moving all our energy in buildings and our fleet and supporting infrastructure to zero emission sources. To meet the challenge, investment for Buildings is estimated at £1bn. Fleet is more difficult to calculate at present due to the emerging technology and changes in market costs, but it is noted as a significant investment. Both cannot be met through existing core funding or grant availability. <p>The latest IPCC sixth assessment reports show that we have reached a tipping point where we will face extreme weather and climate change impacts despite efforts to mitigate greenhouse gas emissions. These will be cascading risks that can lead to power outages, shortages of water and supplies, and disruptions to transportation. The Council must reduce its emissions to mitigate the severity of climate change and have robust climate adaptation measures to respond to this growing crisis.</p> <p>The State of Nature Scotland Report (2019) found that 49% of Scottish species have decreased in abundance and 11% are under threat from extinction. Failure to halt biodiversity loss and restore nature will have a detrimental impact on our environment, economy, jobs, health and</p>	<p>Climate Change Strategy in place which guides our response to the climate crisis and Local Biodiversity Action Plan (in development). This is reported on annually to Council.</p> <p>Annual reporting to the Scottish Government to track CO₂e reductions and delivery of adaptation programmes.</p> <p>Reporting to the Scottish Government every three years on the actions the Council has taken to meet our Biodiversity Duty.</p> <p>Intra-Council groups, including an officer working group and a cross-party political group, which meet quarterly to track our response to the climate and nature emergency.</p> <p>Reported to Council on actions taken to tackle the Nature Emergency following the Nature Emergency Declaration. Ongoing future reporting to Council will be lodged in the Members' Library Service.</p> <p>Bi-monthly Energy Transformation Board meetings, to deliver a Local Heat & Energy Efficiency Strategy for the county, improve innovation and energy supply from renewable sources while generating income from installing low carbon technologies across the Council's estate.</p> <p>Climate change is embedded in the Council by being one of the Council Plan's 3 Outcomes and with members of staff undertaking Carbon Literacy Training.</p> <p>The Council works collaboratively with other local authorities and national bodies including NatureScot and through professional networks such as the Scottish Biodiversity Officers' Network and Sustainable Scotland Network through regional and national Strategies for implementation.</p> <p>East Lothian Climate Action Hub and Community groups, supports public engagement to reach net zero.</p> <p>Work is currently progressing with stakeholders through the East Lothian Biodiversity Partnership to develop and update the East Lothian Biodiversity Action Plan, to identify priorities for action to</p>	<p>Chief Executive</p> <p>Head of Development</p> <p>Sustainability and Climate Change Officer</p> <p>Head of Infrastructure</p> <p>Biodiversity Officer</p>	4	4	16	<p>Identify budget and funding streams to continue delivering transformational change to Fleet and Asset Management (e.g. staff resources to chase funding opportunities and support services to access them).</p> <p>Secure the tools, powers and resources to enable the delivery of a 'Net Zero Council' and a Climate-ready Council.</p> <p>Identify interim emission reduction targets across Council Services. Identify effective and necessary climate adaptation measures for Council assets & services. Implement a monitoring & evaluation framework for both.</p> <p>Engage East Lothian Partnership to include carbon emissions reduction targets in review and update of the East Lothian Plan.</p> <p>Re-engage with the Resilient Communities initiative, to prepare East Lothian residents for emergencies and severe weather events in alignment with the Scottish National Adaptation Plan. To include work with Community Councils and Community Groups to raise awareness of the nature emergency and identify local actions.</p>	3	4	12	<p>Sustainability and Climate Change Officer</p> <p>S&CCO</p> <p>S&CCO</p> <p>S&CCO</p> <p>S&CCO and Biodiversity Officer</p>	<p>Ongoing with annual review</p> <p>2045 with annual review</p> <p>2030 with annual review</p> <p>2027</p> <p>May 2026</p>	<p>Risk updated August 2024 by Sustainability & Climate Change Officer and Biodiversity Officer with no change to risk scores.</p>

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		<p>wellbeing and impact our capacity to adapt to and mitigate the climate crisis.</p> <p>The Council is making progress in reducing the Climate and Nature Emergency risks. However, there is an urgent need to secure the funding, resources, tools and powers to enable us to deliver net zero and become nature positive. Until then, our capability for transformational change to reduce these risks is uncertain.</p>	<p>reverse biodiversity loss and identify interim targets for nature recovery.</p> <p>The Council works to protect and enhance species and habitats within its land holding through the work of the Countryside Rangers and Amenity Services, including the development of Nature Networks within its urban landholding, and works closely with partners, community groups and through the planning & development process to protect and enhance biodiversity and green networks across the county. Deliver actions set out in the Green Networks Strategy SPG, Open Space Strategy, Climate Change Strategy, Countryside Site Management Plans and Nature Networks in Parks & Greenspaces Action Plan.</p> <p>The East Lothian Biodiversity Partnership has been re-convened.</p> <p>Identify funding streams and partners to continue delivering projects to conserve and enhance biodiversity on a local and landscape scale.</p>											
ELC CR 8	Legal & Regulatory	<p>Limitation (Childhood Abuse) (Scotland) Act 2017</p> <p>The Act covers the period prior to 2004 for civil actions arising from allegations of childhood abuse for children who have been in the care system.</p> <p>The Scottish Child Abuse Inquiry is currently in its 8th Phase, with a 9th identified. Survivors may continue to come forward for the period from 1964 to 2004. Historic and current insurers are put on notice where claims are received. The level of deductible or excess is the financial pressures if historic claims of child abuse are made and upheld against East Lothian Council as the statutory successor.</p> <p>The Council's insurers have indicated that where the policy can respond, they will cover appropriate external legal costs and compensation payments subject to the deductible in force. However, the requirements to comply with SCAI S21 requests are placing significant strain on internal resources within the legal, social work and records management teams for which there is no additional budget.</p> <p>Redress Scotland established to provide survivors with an avenue to compensation where they do not wish to submit a claim directly to a successor organisation. Where the Redress Scheme is not used, any legitimate claimant may still raise action against ELC.</p> <p>Note that there remains a period from 2004 to present which is not covered by Scottish</p>	<p>It is a requirement under the act that the abuse occurred at a time when the individual was a child which is defined as being under 18.</p> <p>Child Abuse Claims Group and SCAI Overview Group, East Lothian co-ordination of responses, reported strategically, managed flow and collaboration.</p> <p>Close monitoring of the work of the Scottish CAI and review of any published materials. Scotland-wide networking and information sharing on SCAI between authorities.</p> <p>Council has appointed external solicitors to provide legal support for the public fostering inquiry.</p> <p>Records Management expertise allows us to respond effectively to SAR requests and information requests / provide evidence. Increase in volume of SAR requests received, not just in this area, are placing more pressure on the Information Governance team to be able to coordinate further work as required throughout the Council, to improve and make more efficient our records management systems.</p> <p>Cross Lothian collaboration on Lothian Region period 1975 to 1996 (and predecessor authorities) re-records management and retrieval etc occurs</p>	Service Manager – Governance Chief Social Work Officer	4	4	16	<p>Discussions planned to consider how to ensure sufficient staffing resource available to deal with claims, court actions, and submission of S21 requests and recovery of documentation and to preserve the Council's position.</p> <p>Fully engage with the SCAI to anticipate and forecast future claims and ensure ELC is represented well in the public hearings.</p> <p>Ensure current social work practice with children who are accommodated away from home meets high professional standards and complies with legislation and national standards to ensure they are safe and reduce the likelihood of any 'new' claims arising.</p> <p>Full review of the overall Council Records Management systems and behaviours required to be undertaken to streamline obtaining the relevant information requested.</p> <p>A draft agreement regarding historical liabilities for the successor authorities of LRC is out for consultation with each authority and it is hoped it will be agreed in 2024.</p>	4	3	12	<p>Cross Service Group</p> <p>Chief Social Work Officer</p> <p>Chief Social Work Officer</p> <p>Records Management</p> <p>Insurance</p>	<p>December 2024</p> <p>December 2024</p> <p>December 2024</p> <p>August 2026</p> <p>December 2024</p>	<p>Risk reviewed August 2024 by Insurance, Legal and CSWO with no changes to risk scores.</p> <p>Risk reviewed May 2022 by Chief Social Work Officer with planned score increased from 9 to 12.</p>

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		Government proposals/legislation for compensation schemes and as such any legitimate claim arising would need to be taken forward through ELCs Insurers.	regularly when a claim is received. Accurate records post 1996 relating to East Lothian Council clients. Council Financial Reserve – may reduce the impact to service provision if claims extend beyond budget. 2024 update: further discussions have been held between successor LRC local authorities due to emerging risks of limits of indemnity and future allocation of claims. Unanimous decision to put formal agreement in place to cover from 1996 to date (and beyond) The Scottish Government redress schemes is available for potential claimants to pursue. Where a survivor submits a claim to the redress scheme and accepts the compensation offered, a waiver is signed so that they are no longer permitted to submit a civil litigation claim. The maximum amount of compensation through Redress Scotland is £100,000. Regular discussions are held with Council's Insurance providers and brokers to ensure risk is covered and/or mitigated to allow regular review for sufficient budgetary provision for any additional costs/claims that may not be covered by insurance.													
ELC CR 9	Physical and/or Psychological Impact on People Service Objectives Legal & Regulatory	Flooding and Coastal Erosion As the incidence of flooding and coastal erosion increases as an impact of Climate Change, there is an increased risk of disruption and damage to road and path networks, impact on public and community safety, property, businesses, harbours and natural heritage sites and an associated increase in claims against the Council.	In December 2021, a Flood Risk Management Plan covering the Forth Estuary catchment over the 2022-28 (Cycle 2) period was published. In March 2023, the Forth Estuary Local Flood Risk Management Plan covering 2022-28 was published. This publication outlines the specific objectives and actions to be undertaken to mitigate flood risk in the East Lothian area and complies with East Lothian Council's duties under the Flood Risk Management (Scotland) Act 2009. The Forth Estuary Local Flood Risk Management Plan (LFRMP) 2022-28 identifies actions such as river and coastal flood studies, awareness raising and maintenance which are subject to funding. Musselburgh Flood Protection Scheme (MFPS) is proposed to be funded 80% by Scottish Government. The delivery of flood protection schemes is reliant on funding. In January 2024, East Lothian Council approved the MFPS to move to Stage 5 (Statutory Approvals). This approval allowed the Scheme to move to publishing ("notifying") its Outline Design in March'24.	Executive Director for Place			4	4	16	Flood studies for Dunbar, West Barns & North Berwick (Coastal), Cockenzie, Port Seton, Longniddry & Prestonpans, and Tranent & Macmerry have been included in the 2021-28 Flood Risk Management Plan and the 2022-28 Forth Estuary LFRMP. As part of the 2022-28 Local Flood Risk Management Plans Flood Protection Schemes for Musselburgh and Haddington are included in the list of actions for the Forth Estuary Local Plan District. ELC have undertaken Flood Studies for Musselburgh and Haddington within the 2016-2022 FRM cycle and are currently progressing the Musselburgh Flood Protection Scheme which is a fully established project. Musselburgh FPS is not yet approved under the Flood Risk Management (Scotland) Act 2009. In January 2024, East Lothian Council approved the Scheme to move to Stage 5 (Statutory Approvals) of the Scheme Design in	3	3	9	Senior Engineer - Flood Protection Senior Engineer - Flood Protection Senior Engineer - Flood Protection Senior Engineer - Flood Protection	2024-2028 2024-2028 2024-2026 2024-2026	Risk reviewed and updated September 2024 by Team Manager – Structures & Flooding with no change to assessment of current scores.

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			<p>Community consultation has progressed throughout the project and a large-scale community consultation event took place to present the preferred outline design in June 2023; this outline design has been refined and a final outline design completed for the Statutory Approval stage.</p> <p>In January 2024, MFPS Project Team presented an Executive Summary Report on Coastal Change in Musselburgh at a Council meeting. This report identified that coastal erosion is a current and growing concern in Musselburgh. East Lothian Council agreed in the January 2024 meeting that further investigation of erosion should take place.</p> <p>Flood risk and drainage issues are considered when processing planning applications and within long-term development planning. This assessment is aligned to new policy within National Planning Framework 4 (NPF4), published February 2023.</p> <p>The Severe Weather Response Plan has been developed and ensures a co-ordinated and consistent multi-agency response across the county.</p> <p>Emergency surface water, coastal and river flooding procedures are in place and have proven effective.</p> <p>A Shoreline Management Plan is in place.</p> <p>Advice on dealing with flooding is available on the Council website and directs people to the relevant websites.</p> <p>The Council is working with various organisations to promote and progress "Resilient Communities" as per the Scottish Government initiative "Ready Scotland".</p> <p>Communication with vulnerable groups regarding access and assistance during severe weather events.</p> <p>Maintain existing flood protection schemes.</p> <p>Improvements to introduce a risk-based process of undertaking watercourse inspections and delivering appropriate clearance and repair of watercourses was implemented in 2022.</p>				<p>accordance with the project's PRINCE2 Project Management System. The statutory approvals process, which includes publishing the final Outline Design, commenced in March 2024 and this period closed in April 2024.</p> <p>A full report on Coastal Change in Musselburgh was completed and published in March 2024. MFPS will continue to work with organisations such as Dynamic Coast to assess coastal change risks. East Lothian wide, a Coastal Change Adaptation Plan (CCAP) is proposed for completion between 2024 and 2026; this is not yet out for tender.</p>				Senior Engineer - Flood Protection	2024-2026		

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ELC CR 10	Financial Service Objectives & Legal Regulatory	<p>The Impact of the National Care Service on East Lothian Council</p> <p>The Scottish Government proposal to establish a National Care Service, which could extend to all adult social work and social care services, children's services, justice social work services will result in the largest re-organisation of local government since the creation of single tier local authorities in 1995/96.</p> <p>The National Care Service (Scotland) Bill was published as at 22nd June 2022. The Bill sets out principles for the NCS and places a duty on Scottish Ministers to promote a Care Service designed to secure improvements in the wellbeing of the people of Scotland. The full scope of the NCS is still to be determined, although, the inclusion of Adult Social Work and Social Care must be assumed. There will be a period of formal research and consultation to inform the decision about the inclusion of Children and Justice Social Work Services. The Bill states that the NCS will be up and running by 2026. On the 12th July 2023, SG and COSLA confirmed that they had reached an initial consensus agreement that accountability for the NCS would be a partnership between SG / LG and NHS. This included that the workforce and assets currently within local authorities, would remain there in the new NCS. In November 2023, COSLA reported some emerging uncertainties including that SG intended to retain as much of the NCS Bill as possible and were taking a 'maximalist approach' to NCS integration and delegation including for Children's Services and Justice Social Work. The bill has passed through stage 1 (29/2/24) and is in the stage 2 process.</p> <p>On November 14th Maree Todd (Minister for Social Care) wrote out to confirm that the Stage 2 process had been deferred beyond 26th November to allow more time to understand and address outstanding issues. New Stage dates to be agreed between the Minister for Parliamentary Business and the Scottish Parliament with no fixed timeline.</p> <p>At its inception, the council detailed concerns at the risk involved in this proposal which were detailed in the Council's response to the Scottish Government's consultation on its proposals (report to Members Library, November 2021). The potential for elements of the proposed changes to lead to improved outcomes for vulnerable people is acknowledged. However, there remains uncertainty on unintended consequences of the changes on how effectively and efficiently the council can continue to meet its statutory obligations.</p>	<p>The council provided a detailed and comprehensive response to the Scottish Government's consultation on its proposals, outlining the concerns and risks involved in the creation of a National Care Service (report to Members Library, November 2021).</p> <p>Council officers will actively engage in National Professional networks and feedback any relevant information to the working group.</p> <p>CMT will continue to monitor the development of the proposal and report as appropriate to the Council.</p> <p>Council agreed to delegate authority to the Exec Dir of E&CS to respond to consultation exercises, and submit evidence, in respect to the Scottish Government's proposal for a National Care Service for Scotland and the National Care Service (Scotland) Bill.</p> <p>ELC and EL IJB sent in separate submissions on their views of the National Care Service. They considered each other's and NHS Lothian's views as part of their submissions, reflecting on Partner views.</p>	<p>Chief Social Work Officer</p> <p>Head of Operations (H&SCP)</p> <p>Executive Director for Education and Children's Services</p>	<p>The Council has established a working group that will consider the scope and impact that the NCS may have on Council Services. The working group will also monitor ongoing developments and respond to any request for information and engage in the consultation.</p> <p>As part of the Stage 2 process there is a call for views on the National Care Service (Scotland) Bill with a deadline of 20th September 2024. ELC and EL IJB are preparing separate submissions as part of this process.</p>	<p>Likelihood: 4</p> <p>Impact: 3</p> <p>Total: 12</p>	<p>Executive Director, Education & Children's Services</p> <p>CMT & IJB</p>	<p>In line with Scottish Government decisions</p> <p>September 2024</p>	<p>Risk reviewed November 2024 by Director of ELHSCP and Chief Social Worker with no change to risk scores.</p> <p>Risk reviewed July 2023 by Executive Director, Education & Children's Services and reviewed by CMT August 2023 with current score reduce from 20 to 15 and residual score from 20 to 12.</p>					

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ELC CR 11	Reputational	<p>Data Protection Threats</p> <p>Under the Data Protection Act 2018 and the UK GDPR, the Council is required to ensure that personal data is processed lawfully, fairly and securely. Breaches of the Data Protection Act / GDPR could result in:</p> <ul style="list-style-type: none"> - harm to individuals; - legal action; - fines of up to £17.5 million or 4% of turnover, whichever is higher; - requirement to pay compensation; - adverse publicity; - damage to reputation <p>The Council has a mandatory 72-hour window in which to report relevant breaches to the Information Commissioner's Office.</p> <p>Limited security, procedural and environmental controls at the Dunbar Road records store mean that records and personal data are at risk of security breach and/or accidental loss or destruction. The shift to home/digital working has also placed additional pressures to digitise paper records management systems and ensure new ways of working remain secure.</p> <p>Requests for personal data (SARs) and other information (FOIs) continue to increase persistently in both number and complexity (average increase of 28% every year since 2021). Staffing challenges and disproportionate impact of frequent requesters mean the Council is at higher risk of missing statutory timescales for responses.</p> <p>DP compliance is dependent on good records management. The Council's Records Management Plan 2014-2019 needs to be formally updated to account for GDPR/DPA18 as well as changes to recordkeeping practice across the Council. This is also a requirement of the Public Records (Scotland) Act 2011 (PRSA).</p> <p>Current pressures on Registration service and increased demand from Services for review of Data Sharing Agreements / Data Protection Impact Assessments are impacting capacity to address Records Management.</p>	<p>Data Protection</p> <p>The Council has a comprehensive suite of measures to ensure compliance, including the retention of a statutory Data Protection Officer (DPO), the Data Protection Policy, Data Breach Procedure and multiple procedures governing the creation, use and disposition of records and personal data.</p> <p>The Council's Data Protection Policy was approved by Cabinet on 14 May 2024.</p> <p><u>Training & awareness</u></p> <p>DP and Records Management Awareness training is a mandatory part of induction and must be refreshed every two years. E-learning module content was refreshed and redesigned in May 2022. The ELNet pages for Information Governance also include templates, guidance and information to support corporate compliance. A new Team Leader-Information Governance took up her post on 31 July 2023, whose brief includes leading the Information Governance training and awareness programme.</p> <p>Since the last update, the Information Governance team has conducted targeted data breach training for the Governance service; issued multiple email alerts addressing current compliance issues; established a series of 'open surgery' sessions to address information compliance and scheduled a series of sessions to be conducted for Head Teachers in cooperation with Legal Services.</p> <p>CMT has formally approved training delivered via the Metacompliance platform as mandatory for all staff. Modules are released on a monthly basis.</p> <p>Meeting between IT, Procurement & Governance to discuss shared goals/actions re: IT Procurement</p> <p>The Council's Records Management Plan (RMP) covers how the Council manages its records and includes links to our IS, DP policies and retention schedule. There is an annual assessment of Progress of Records Management Plan by The Keeper's office. The Council is planning formal re-submission of its RMP for the Keeper's approval (date tbc).</p> <p>Recent developments include rationalisation of the Retention Schedule to</p>	Team Manager - Information Governance	3	4	12	<p>Data Protection</p> <p><u>Training & awareness:</u> The DPO, Team Manager- IT Infrastructure & Security and Communications teams are progressing a Communications Plan including Inform briefings, e-mail updates and other training and briefings to reinforce awareness of data protection and information security across the Council.</p> <p>Head Teacher Surgery sessions</p> <p>Open Surgeries</p> <p><u>Information Transformation Strategy:</u> the Team Manager- Information Governance and Team Manager-IT Infrastructure & Security drafting an Information Transformation Strategy and associated Action Plan to underpin the Digital Strategy and Business Transformation agendas and 'to ensure the right information gets to the right person, at the right time, and in the right format'.</p> <p><u>Records Management Plan:</u> All 14 elements of the Council's RMP will be reviewed and updated, focusing particularly on secure destruction, digital preservation, application of retention schedules and changes to ways of working.</p> <p><u>Paper document management:</u> Procurement exercise to identify best value for document management services for all paper records. Existing contract has been extended with supplier Oasis by six months to allow for completion amidst other service pressures.</p>	2	4	8	Team Manager - Information Governance	<p>Ongoing</p> <p>May 2025</p> <p>May 2025</p> <p>Ongoing</p> <p>Ongoing</p> <p>April 2025</p>	October 2024 - Risk updated by Team Manager - Information Governance.

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			<p>prepare for the implementation of retention controls in Microsoft 365 (M365); the introduction of a new Digital Preservation Policy; staff training and collaborative work with IT to build knowledge of governance functionality within M365; active contribution to the M365 Project Team to feed into a pilot project for Legal Services to establish document management, governance and security functions within SharePoint and Teams.</p> <p>The Council works closely with SOLAR (Society of Local Authority Lawyers and Administrators) and attends meetings regularly. These meetings are also attended by the Information Commissioners office. The Council also attends and currently chairs ASLAWG (Archivists of Scottish Local Authorities Working Group) to share best practice with other record keeping professionals.</p> <p>Information Asset Register: workshops are held quarterly to identify information assets and data flows within Council Service areas. This is a key compliance measure under Article 30 of the UK GDPR and the Council's Records Management Plan.</p> <p>DSA/DPIA Process Reviews completed: DSA and DPIA processes have been reviewed and simplified, with reduced waiting times. Team Leader now taking on new DPIA requests allowing Team Manager to address backlog.</p> <p>Dunbar Road Options Paper: CMT has approved proposals to contract out paper document management services, including records storage, retrievals, metadata management, scan-on-demand and secure destructions.</p> <p><u>Information Strategy</u> Work continues to implement Microsoft 365 across corporate Council Services;</p> <p>Data Protection/Records Management training delivered as needed.</p>											
ELC CR 12	Physical and/or Psychological Impact on People	<p>Public Protection – Risk of Harm</p> <p>The Council has a legal responsibility to address concerns that may require a Child or Adult protection response. The Council also has an obligation to manage offenders through the Justice Social Work service and contribute to MAPPA arrangements.</p> <p>Any failure to adequately respond to concerns may negatively impact on children and adults, who may be at risk of harm. This could also result in serious harm/death to an individual/s, prosecution, risk of</p>	<p>Strategic Structure The East and Midlothian Public Protection Committee (EMPPC) is the local strategic partnership responsible for the overview of policy and practice in relation to Adult Support & Protection, Child Protection and Violence Against Women and Girls.</p> <p>The primary aim of the Committee is to provide leadership and strategic oversight of Public Protection activity and performance</p>	<p>Executive Directors</p> <p>Director of East Lothian Health and Social Care Partnership</p> <p>Chief Social Work Officer</p>	3	4	12	<p>The Equally Safe leadership group is taking responsibility for the development of an Equally Safe strategy for East Lothian.</p> <p>There is a national Equally Safe delivery plan published in August 2024 which identifies the need to establish longer term funding for VAWG services. EMPPC VAWG delivery group chair will liaise with</p>	2	4	8	<p>Head of Communities</p> <p>EMPPC VQWG Delivery Group Chair</p>	<p>November 2025</p> <p>December 2024</p>	<p>Risk reviewed October 2024 by Head of Operations ELHSCP and Chief Social Work Officer.</p> <p>Risk refreshed October 2022 by General Manager - Adult Social Work and</p>

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		<p>compensation claims and have a negative impact on the reputation of the Council.</p> <p>A failure to have in place efficient and effective Public Protection arrangements, covering Child Protection, Adult Support and Protection, local MAPPA arrangements, Violence against Women and Girls (VAWG) and Substance Misuse services, may see the Council being unable to fulfil its statutory duties/duty of care which could contribute to a service user suffering harm/death or detriment. This would in turn result in reputational damage and financial compensation.</p> <p>There has been a long-standing waiting list for an Outreach Service from Women's Aid Mid and East Lothian which is the specialist service provider for Women experiencing or having experienced domestic abuse. There is a funding gap created by non-recurring revenue streams and increased demand. The contract for refuge has been reviewed and has been extended on a short-term basis only.</p> <p>The Council's MAPPA responsibilities are not currently at risk as information is continuing not be shared as per habit and practice over the past decade and in line with legislation. The Home Office are progressing a new database – MAPPS – which will replace ViSOR in 2025/26 and all MAPPA partners have agreed to engage with the development. The underlying barriers have not been resolved and some uncertainties remain around operational joint working between ELC and Police Scotland. East Lothian has no access to ViSOR.</p> <p>Currently, 50% of people awaiting CAH are in critical need and there is a risk they may come to harm as a result of not having appropriate support.</p>	<p>across East Lothian and Midlothian. EMPPC lunched its new website on 7th October 2024. This gives information for staff and the public about the work of the Committee, and associated Procedures and Guidance - emppc.co.uk.</p> <p>An Equally Safe leadership group has been established which will take responsibility for the development of an Equally Safe strategy for East Lothian</p> <p>Critical Services Oversight Group (CSOG), Provides governance and leadership of EMPPC on a quarterly basis. The Public Protection Partnership discharges its functions through the following sub-groups:</p> <ul style="list-style-type: none"> • Performance and Quality Improvement Sub-group is responsible for the oversight and governance of the performance framework and quality assurance arrangements. • Learning and Development Sub-group is responsible for the development and delivery of the EMPPC Multi-agency Learning and Development Strategy. • Learning Review Sub-group is responsible for the oversight of progress of Learning Reviews undertaken in relation to Adult Support and Protection and Child Protection, development and review of the progress of action plans arising from Learning Reviews and oversight of local Learning Review arrangements. • East Lothian and Midlothian MAPPA Group is responsible for ensuring that the statutory responsibilities placed on local partner agencies for the assessment and management of risk posed by offenders subject to MAPPA are discharged effectively. • Violence Against Women and Girls Delivery Group is responsible for supporting the delivery of the Equally Safe Strategy and overview of local delivery of services. • Adult Support and Protection Sub-group focuses on practice issues, national and local developments in emerging trends in Adult Support and Protection • Child Protection Sub-group focuses on practice issues, national and local developments in emerging trends in Child Protection <p>The CSWO remains actively engaged in national meetings aimed at achieving a long-term solution to the MAPPA</p>	Public Protection Team Manager				<p>Scottish Government via national network to seek urgent resolution to lack of funding arrangements.</p> <p>The Care at Home Change Board has also reviewed and developed proposals for piloting new models of Care at Home that have been approved.</p>				General Manager, Adult Social Work	March 2025	<p>Public Protection Team Manager with current score reduced from 16 to 12 and residual score from 12 to 8.</p> <p>Risk reviewed and refreshed by Public Protection Team Manager, March 2022. Risk reduced from 20 and 20 to 16 and 12 due to an improving picture.</p>

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			<p>information sharing / ViSOR issue ahead of the implementation of the replacement system MAPPS. The CSWO will continue to provide regular assurance of the safety of MAPPA practice to the CEO.</p> <p>The CSWO and Chief Executive are fully sighted on the current situation regarding ViSOR. Access to ViSOR requires Non-Police Personnel Vetting L2 or L3 and this is a highly intrusive process and colleagues in legal, Information Governance and HR have advised that JSW staff cannot be instructed to undertake this vetting and have confirmed that JSW need access to the information that ViSOR holds only, not the system itself, to fulfil their duties under the Management of Offenders (Scotland) Act 2005 on which MAPPA is based.</p> <p>ELC H&SCP have a daily Care at Home Huddle to monitor/review the level of risk for individuals and maximise opportunities for provision of care.</p> <p>The councils' CSWO attends the CAH change Board to ensure discharge of assuring the quality of care. This will remain in place until there is assurance of stability.</p> <p>Chief Social Work Officer (CSWO) fulfils statutory role and responsibilities, overseeing and reporting on Public Protection issues to Chief Executive and Elected Members, reporting annually to Council giving oversight of Public Protection performance including assessment of risks and pressures.</p>											
ELC CR 13	Service Objectives & Legal Regulatory	<p>Duty of Care to Public</p> <p>The Council has a responsibility to provide care and support for the people of East Lothian and East Lothian's environment. Any breach of this duty of care may compromise legislative duties, health, safety and wellbeing, impacting on, for example, the protection of children and adults.</p> <p>Failure to fulfil the duty of care could also result in serious harm/death to an individual/s, prosecution, having to pay compensation and have a negative impact on the reputation of the Council.</p> <p>Additional pressure within this area caused by external providers struggling to deliver through staffing issues.</p> <p>The Council took out QBE policy in 2021 with Medmal, which now includes cover for some intrusive medical intervention (e.g. tube feeding or assistance with diabetic pumps). However, prior to this there is a 5 year period where the Council was without any cover, the claims for which may not be submitted for many years (particularly if it relating</p>	<p>Prioritise maintenance of safe staffing levels for all statutory services the partnership delivers.</p> <p>Briefing sessions, specialist training and supports are in place.</p> <p>Regular formal supervision in place for all staff including completion of PRD's and e-KSF, focusing on specific and agreed development needs.</p> <p>Clinical & Care Governance Committee established which is to provide strategic oversight within the Partnership. Chief Social Work Officer, Chief Nurse, Clinical Director, AHP Lead oversight and review of practice to assess workload allocation and risk management.</p> <p>Specific oversight groups established for example Care Home, Health & Safety and Risk Management.</p>	<p>Head of Operations, H&SCP</p> <p>Head of Children's Services/ Chief Social Worker</p>	3	4	12	<p>Review of oversight and governance arrangements for assessment. Recent review of Social Governance arrangements undertaken by General Manager for Adult Social Work.</p> <p>Alteration of the workforce model for delivery of care at home service including expansion of internal delivery and piloting of alternative models via Care at Home Change Board.</p> <p>Utilisation of SDS option 3 to support delivery of care at home.</p> <p>Establishment of daily Care at Home Huddle and approval via Change Board to pilot alternative models of Care at Home delivery.</p>	2	4	8	Head of Operations, H&SCP	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>April 2025</p>	<p>Risk reviewed August 2024 by Head of Operations of ELHSCP and Chief Social Worker.</p> <p>Risk reviewed September 2023 by Director of ELHSCP, Head of Communities and the Head of Children's Services/Chief Social Worker with SOC Risk and mitigations moved from Communities Service Risk Register by CMT Risk Sub-Group</p>

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		<p>to children) meaning this risk will remain for some time.</p> <p>Members of the public access services in many public buildings which require to operate within statutory health and safety requirements relating to the building itself, and spaces within it. Some services are provided in the outdoor public realm. Failure to operate services safely both within ELC buildings and in outdoor spaces could risk harm to members of the public and staff, resulting in injury, financial liability and reputational damage.</p> <p>Serious and Organised Crime (SOC) poses a physical and virtual threat, be that human trafficking, drug supply, sexual exploitation, fly-tipping, fraud, unsafe consumer sales et al. These risks can include cyber-attacks, corruption, bribery, IT system infiltration, human 'plants' into organisations. SOC poses risks to our communities through targeting of vulnerable people and their properties e.g. to act as conduits for drug supply, door-step fraud, on-line crime et al.</p>	<p>Review ongoing through regular Care at Home meetings chaired by General Managers and establishment of daily Care at Home huddle to oversee levels of unmet need.</p> <p>Services comply with required professional registration standards for all staff, e.g. SSSC, HCPC, NMC etc.</p> <p>"Safer Recruitment" practices and PVG checks embedded.</p> <p>LSI mechanism in place with reporting structure through PPC.</p> <p>Regular engagement with the Care Inspectorate reviewing services in place</p> <p>Risk assessment documentation shared with providers with client RAG in place to ensure services are prioritised for those most at risk.</p> <p>Council owned buildings and open spaces subject to strict management and maintenance regimes, with all requisite risk assessments and safe operating arrangements in place.</p> <p>Effective Partnership working with Police Scotland, immigration and HMRC.</p> <p>Anti-social Behaviour Oversight Group operates and oversees Serious Organised Crime Multi-Agency Action Plan.</p> <p>Effective oversight of all aspects of Public Protection through the East and Midlothian Public Protection Committee.</p> <p>Trading Standards oversight of safe consumer practices and promotion of call blocking devices. Trusted Trader Scheme in operation.</p> <p>CONTEST and Prevent counter-terrorism arrangements in operation overseen by East and Midlothian Public Protection Committee.</p>				<p>Continual recruitment underway for care at home with recruitment events designed and held including media, open days etc to encourage applications.</p> <p>Review of existing CAH packages underway to identify any capacity that can be released and support unmet needs at home or currently waiting at hospital</p> <p>Refresh of Serious and Organised Crime Multi-Agency Plan, aligned to review of Anti-social Behaviour Strategy.</p>				Head of Communities	<p>June 2025</p> <p>December 2024</p>	<p>Risk reviewed April 2023 by Head of Operations, H&SCP with no change to risk scores.</p> <p>New risk created November 2022 by Head of Operations, H&SCP.</p>	
ELC CR 14	Physical and/or Psychological Impact on People Service Objectives	<p>National Power Outage</p> <p>The National Electricity Transmission System (NETS) transports electricity across Great Britain. Total failure of this system would cause a nationwide loss of electricity supplies instantaneously and without warning. This would cause cascading failures across multiple sectors including telecoms, water, gas, sewage, food, health and fuel, and cause significant disruption to public service provision and most businesses and households. These disruptions could lead to</p>	<p>Backup generator at Penston House with Fuel to power essential emergency facilities for up to 8 days.</p> <p>Fuel Plan in place for the provision of fuel to backup generators and essential vehicles.</p> <p>Critical services have up to date business continuity plans, exercised annually.</p>	Team Manager, Emergency Planning & Resilience	2	5	10	<p>Complete ELC NPO framework Plan to assist the Council, should an NPO occur, to have processes in place to deal with the ongoing challenges and recover from the impacts of the power outage. Linking in with the Lothian and Borders Local Resilience Partnership (LRP) completed NPO framework of 16/2/24 which outlines the multi-agency considerations for L&B LRP in the event of an NPO.</p>	2	3	6	Team Manager, Emergency Planning & Resilience (TM EP&R) TM EP&R	January 2025	New risk created by Emergency Planning & Resilience Team, May 2024 and updated August 2024

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		<p>physical and psychological casualties or fatalities due to the loss of the services relied upon by many, especially those with health and wellbeing vulnerabilities.</p> <p>ELC must be prepared, as best we can, to respond and recover should widespread electricity failure ever occur. Communications will be seriously interrupted, the care of vulnerable people will become hugely challenging and the continued provision of our critical activities, highlighted within our Business Continuity plans, will be seriously tested.</p>	<p>IT Back-up generator at JMH for vital server equipment. IT has completed a significant amount of upgrade work to the IT infrastructure to remove single points of failure.</p> <p>Lothian and Borders NPO Response Framework (resilience.gov.uk) in place.</p> <p>3 x Airwave Radios Terminals are available for our use. These terminals are currently stored at Haddington Police Station and allow for communications with other category 1 emergency responders during incidents. Airwave Terminals are tested by the emergency planning team every 3 months.</p> <p>Deployable Space X Starlink Satellite system purchased and installed at Penston House which allows for internet connectivity at ELC facilities remote to Penston house such as Offices, Depots, Rest Centres and Media Briefing centres.</p> <p>RAYNET UHF radio capability now installed at Penston House enabling communication with other LAs and Police Scotland.</p> <p>Power banks in place to allow for charging of mobile phone and laptops and powering 230V devices.</p>				<p>Training exercise and incorporating in to ELC response documentation to be completed.</p> <p>All services to carry out an annual BC test based on NPO.</p> <p>Review ELCs usage of UHF/VHF radios for both corporate and community resilience purposes. Purchase radio equipment and appropriate licence to operate. Provide training to Staff on the use of radio equipment during an incident.</p>				<p>EP&R Officer</p> <p>EP&R Officer</p>	<p>March 2025</p> <p>March 2025</p>						
ELC CR 15	Physical and/or Psychological Impact on People	<p>Severe Weather</p> <p>There is a risk that severe winter weather will lead to an increase in demand for gritting and snow clearing of roads/footpaths which exceeds normal capacity and supplies of salt.</p> <p>This could result in travel disruption, difficulties for people in accessing services, failure to maintain refuse collection timetable and school closures at short notice as well as a possible increase in insurance claims related to pothole damage.</p> <p>Communities may become isolated, particularly in rural areas, due to heavy and prolonged snow. In such cases communication with residents within these areas may become difficult as they become cut off, possibly aligned to power failure caused by strong winds and/or the weight of snow on the lines.</p> <p>There are limitations to the service the council can offer. The Council Roads team focus on treatment and snow clearing of the main priority road network, made up of the major routes where the majority of vehicle movements take place and also includes accesses to hospitals, ambulance stations, fire stations, other emergency service establishments, railway stations and schools. Primary Routes are treated and cleared of ice and snow first and then the Roads team move onto Secondary Routes and</p>	<p>East Lothian Councils Winter Maintenance Plan has been in place for some time and ensures that the main transport routes are treated as priority.</p> <p>The Council has a Severe Weather and Adverse Events Policy in place for all staff while the Council has its own mitigating measures for its own estates/property during severe weather.</p> <p>During Severe Weather events our Contact Centre becomes the first point of contact for any issues to be raised and responded to whilst our Communications team shares warnings and other relevant information with the public as this becomes available.</p> <p>The ELC Severe Weather Response Plan has been developed over many years and ensures a co-ordinated and consistent multi-agency response across the county. This plan is reviewed annually in conjunction with partner agencies.</p> <p>The ELC Severe Weather Response plan includes reference to and improvements</p>	Executive Director of Place Head of Infrastructure			<p>Upskill CMT and Service Manager cohort to increase response capacity in the event of any incident enduring more than 1 day.</p> <p>Facilitate Resilient Communities workshop to include Severe Weather element and resilient community plans.</p>			3	3	9	3	3	9	<p>Team Manager – EP&R</p>	<p>Spring 2025</p> <p>March 2025</p>	<p>Risk reviewed and updated August 2024, with no change to assessment of current scores.</p>

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		<p>finally tertiary and minor routes which include residential areas, cul-de-sacs. During periods of extreme weather and heavy snowfall when roads and footways are affected by significant levels of lying snow, priority will be given to primary carriageway routes and primary footpath routes with resources deployed on these specified routes continuously until satisfactory snow clearance has been achieved before resources are deployed to any secondary routes and tertiary routes, so it maybe some time before we can attend to these areas.</p>	<p>learned from the 'Beast from the East' (snow) incident in 2018 and Storm Arwen.</p> <p>The Council's Salt Barn has a capacity of 8,000 tonnes to meet demand arising from severe cold weather.</p> <p>A fourth-generation SXL framework was approved by Executive Sub Committee in August 2022. This framework has commenced for salt for winter road maintenance for the period 1 November 2022 until 31 October 2026.</p> <p>Snow clearing equipment has been supplied to Primary Schools. Community Councils through Resilient Communities are able to request winter response equipment from the Council. These requests are considered as per their need. A number of grit bins are provided to enable self-help gritting of adopted roads and footways. Resilient Communities are encouraged to survey the grit bins in their area and report back to the Council if new bins or grit is required.</p> <p>Winter Maintenance operatives are trained to SVQ or equivalent in winter gritting and snow clearing. Winter Maintenance Duty officers trained as Winter Service Supervisors to City and Guilds level.</p> <p>The majority of Community Councils have Resilient Community Groups who have created their own emergency response plans or asset registers of volunteers/skills available at a time of crises. Each Resilient Community has its own Single Point of Contact (SPOC) and deputy for resilient matters including severe weather. Communication and good working relationships have been created and maintained with these SPoCs/deputies by ELC Emergency Planning staff.</p> <p>Work continues with the Resilient Communities and also involves other voluntary groups such as Tenants and Residents. ELC organises an annual workshop for Resilient Communities which allows lessons learned and best practice to be shared. It also allows the public to meet responder agency staff such as the 'blue lights', SEPA and the utility companies.</p> <p>ELC finances all 20 Community Councils' annual insurance premiums ensuring that Insurance is not a barrier to invoking plans.</p> <p>Training and awareness sessions, related to the activation of the ELC Severe Weather response plan, are completed on a regular basis. Partner agencies are often involved.</p>											

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ELC CR 16	Physical and/or Psychological Impact on People Legal & Regulatory	<p>Threat of Terrorism</p> <p>Delivering the UK Government's Counter Terrorism (CT) strategy, known as CONTEST (comprised of four components - Prevent, Protect, Prepare and Pursue).</p> <p>All Local Authorities in Scotland are required to comply with the statutory legislation issued under section 24 of the Counter Terrorism and Security Act 2015 that relates to Prevent.</p> <p>Failure to discharge this duty could mean sufficient steps are not taken to prevent an incident taking place, under Prevent, and could result in the Secretary of State issuing a direction to the Council via the powers within the act and would also result in a loss of reputation and negative publicity.</p>	<p>Multi agency 'J' Division CONTEST Meeting attended by East Lothian Council representatives.</p> <p>ELC has established a CT WG chaired by the Head of Communities with members consisting of CMT, key senior managers, Police Scotland and a QMU representative.</p> <p>ELC has appointed senior members of staff as SPoC (Head of Children's Services) and Deputy SPoC (Head of Education) for Prevent as per statutory guidelines.</p> <p>A SPoC for Prepare and Protect although not a statutory requirement, has also been appointed (Emergency Planning, Risk and Resilience Manager).</p> <p>Under Protect the CMT are prepared should the Government raise the Security Level to Critical. Service Business Continuity plans take this into account. This includes staff working from home as a result of council facilities being closed during any emergency response.</p> <p>ELC follows and contributes towards the 'J' Division Contest group implementation plan.</p> <p>The SPOC Prevent Group in the East of Scotland is attended by the ELC SPoC.</p> <p>Prevent Multi-Agency Panels Chair (SPoC) and Depute (Service Manager Adult Social Work and General Manager Children's Services respectively) identified to chair multi-agency meetings established to discuss any referrals.</p> <p>Regular internal and external communication of any national counter-terrorism updates. Information regarding Protect and Prepare is received from the National Counter Terrorism Security Office. This information is then circulated to appropriate key ELC staff and local businesses.</p> <p>A Prevent working group, chaired by the Head of Children's Services, meets regularly and a Prevent reporting process has been established. A refreshed Prevent Delivery Plan has been completed and has been approved by the ELC Contest group. Progress of the Prevent delivery plan will be monitored through quarterly Prevent working group meetings and reporting to EL Contest group.</p>	<p>Chief Executive</p> <p>Executive Directors</p> <p>Council Management Team</p> <p>EL Contest Chair (Head of Communities)</p> <p>Contest SPoC (Emergency Planning, Risk & Resilience Manager)</p> <p>Prevent SPoC (Head of Children's Services)</p>	3	3	9	<p>Awareness-raising sessions are being arranged with Police colleagues with independent service providers operating in East Lothian.</p> <p>CT police are offering bespoke Prevent training across other council services and supporting managers to update paper-based training materials for manual staff.</p> <p>Further service specific Prevent training is being arranged for children's and justice social work services.</p>	2	3	6	Contest and Prevent SPoCs for all	<p>March 2025</p> <p>March 2025</p> <p>March 2025</p>	Risk refreshed by Head of Communities, Contest Working Group Chair, August 2024 – no change to risk scores.

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					L	I	L x I		L	I	L x I			
			<p>Elected Members were briefed in January 2022.</p> <p>Joint training (with Midlothian) for PMAP members was undertaken.</p> <p>Home Office PMAP training was provided for managers in justice, children's and adult social work services.</p> <p>ELC have submitted an annual assurance statement of compliance with Prevent to Scottish Government in relation to the new statutory guidance for Prevent and PMAP (Feb 2021).</p> <p>Education personnel are fully engaged with Prevent and appropriate filters have been installed on the Education infrastructure.</p> <p>Updated Prevent referral pathway has been agreed with EMPPC and communicated on the intranet, including the new national Prevent referral form.</p> <p>A Prevent – Counter Terrorism e-learning module is available on Learn Pro and is a mandatory learning module for staff. Uptake of mandatory Prevent e-learning is reported to the Prevent working Group.</p> <p>UK Government Home Officer e-learning for the new Protect Duty rolled out from March 2023, signposted to services/staff working in complex public buildings/venues and in outdoor arenas.</p> <p>ELC Emergency Planning, Risk and resilience and members of CMT attended Exercise Safe Steeple, March 2023, led by SGov Resilience to exercise multi-agency response to a marauding terrorist attack.</p> <p>The ELC Prepare and Protect SPoC liaises with Police Scotland and in particular the CT team to ensure current information on these areas is circulated to appropriate ELC key staff and staff in general if required. The SPoC also ensures important information is uploaded onto the ELC Intranet.</p>											
ELC CR 17	Legal & Regulatory	<p>Failure to meet Equality Act requirements</p> <p>Failure to meet duties and legislative requirements of the Single Equality Act 2010.</p> <p>The Single Equality Act 2010 and related guidance places a general duty on public authorities to be active in promoting equality, eliminating unlawful conduct and fostering good relations. It also places specific duties on public authorities to</p> <ul style="list-style-type: none"> report on mainstreaming the equality duty; publish equality outcomes and report progress; 	<p>ELC Equality Plan 2021-2025 was adopted in November 2021 and is now being implemented. This includes the commitments made by East Lothian Council as a Licensing Board and as an Education Authority. The plan outlines our commitments:</p> <ul style="list-style-type: none"> Continue to lead a culture where respect, choice and understanding is fostered and diversity positively valued; 	Head of Corporate Support	3	3	9	<p>A Childrens Rights and Wellbeing Impact Assessment (CRIWA) template and guidance are now in place to be used across the organisation to uphold Childrens Rights and mitigate this risk. The Equality IIA review will include signposting to complete a CRIWA.</p>	2	3	6	Equality Officer	March 2025	Risk reviewed and updated November 2024 by Equality Officer and reviewed by Head of Corporate Support with current risk score

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		<ul style="list-style-type: none"> • assess and review policies and practices; • gather and use employee information; • publish gender pay gap information; • publish statements on equal pay; • consider award criteria and conditions in relation to public procurement; • publish in a manner that is accessible. <p>The Scottish Government has introduced the Fairer Scotland (socio- economic) duty. This will require the Council to consider the impact of our work on those living in poverty. The Council will need to respond to the full requirements of this new duty and raise awareness of the requirements on the Council.</p> <p>There is a risk that the Council may not be able to meet its general or specific duties and in particular at a time when difficult budget decisions are having to be made that there will be cuts in services or increases in charges that have a disproportionate impact on people who may need those services most because of their equality background.</p> <p>The Council would be open to legal challenge of not meeting its duties and in particular of not carrying out adequate assessment of impact of policies and budget decisions.</p> <p>The Scottish Government continues to extend their commitment to Equality, Inclusion and Rights, this includes the recent incorporation of the United Nations Convention on the Rights of the Child (Incorporation)(Scotland) Act, the British Sign Language (Scotland) Act 2015 and additional Public Sector Equality duties. At the time of writing this may bring in a duty on accessible and inclusive communication.</p> <p>To meet new legal duty to ensure compliance with the 26 October 2024 Prevention of Sexual Harassment duty which places an anticipatory and preventative duty on employers to take reasonable steps to prevent harassment. This duty is specific only to sexual harassment.</p>	<ul style="list-style-type: none"> • Maintain a working environment where unlawful discrimination, harassment, victimisation or bullying is not tolerated; • Continue to develop our understanding of the needs of different individuals and communities; • Continue to embed the equality agenda in all our work, and contribute to the early intervention and prevention approach adopted by the Council and its Partners; • Improve understanding of the impact of poverty and inequality on people's lives; and • Ensure that we plan and deliver services which meet modern standards of delivery and that are inclusive of a wide range of different needs from digital services to face to face interactions <p>The Poverty Plan has been reviewed and produced for the period 2023 – 2027. Delivery will be monitored by the Poverty Working Group and the new East Lothian Partnership Governance Group.</p> <p>The ELC Integrated Impact Assessment Process is embedded and is now widely used. This includes consideration of poverty which should allow us to meet the requirements of the socio-economic duty. A programme of support, including training on the new IIA process is ongoing.</p> <p>Continue to embed the use of the Scottish Government's Sustainable Procurement Tools into procurement procedures.</p> <p>The Health & Social Care IJBs (East & Midlothian and City of Edinburgh) along with NHS Lothian will use the 'checklist and IIA form' package, with East and Midlothian Councils using the IIA form only package.</p> <p>As per our statutory obligation, HR is annually capturing the Employment Monitoring information required under the Act. This is reported publicly alongside the requirement to publish an annual Equal Pay Report.</p> <p>ELC Equalities Mainstreaming Report 2022-23 published.</p> <p>Annual Equality module review.</p> <p>The mandatory staff Equality module is completed at induction, and thereafter an annual refresh by all staff.</p> <p>Prevention of Harassment, Employee Code of Conduct policies are in place, Signposting</p>										increased from 6 to 9.	

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		<p>As an employer, to actively prevent sexual harassment at work in relation to all employees, ensuring prevention of sexual harassment by colleagues and workers – with a new duty to protect employees and workers from third parties such as service users and members of the public et.</p> <p>Financial consideration should complaints go to Tribunal given any compensation payment would be uncapped and could be further uplifted by 25% by the Equality & Human Right Commission of any financial compensation.</p> <p>Equality & Human Rights Commission has new additional powers to enforce non-compliant employers to complete prevention of sexual harassment action plans.</p>	<p>via Intranet, newsletters and MyHR to support; internally (listening ears/Support Officers) and externally (Employee Assistance Programme and other external agencies) employee training via Learnpro and in person, Toolbox talks, and Banter and Equalities training is in place,</p> <p>Lone working arrangements and policy, Bee Nice campaign and customer care training, sphere system recording and evaluation to inform action planning, preventive measures via sphere to flag clients/customers who may be challenging to employees and workers.</p>				<p>Updated and ongoing training for all employees and managers. Toolbox Talks and Equalities/Banter training.</p> <p>Ongoing communications and engagement with employees.</p> <p>Ensure that Prevention of Sexual Harassment Risk Assessments are undertaken by management.</p> <p>Enhance the reporting system for all employees to include helpline services, with ongoing monitoring and evaluation.</p> <p>Third party posters zero tolerance and bee nice.</p> <p>Recruiting to an HR Equality Adviser to develop compliant policy and procedural arrangements regarding Prevention of Sexual Harassment and all employee duties under the Equality Act 2010.</p> <p>Review of work settings where risk may be higher e.g., community settings, schools etc.</p>				<p>SMT/Head Teachers</p> <p>HR Adviser</p> <p>SMT/Head Teachers</p> <p>Team Manager HR Operations</p> <p>SMT/Headteachers</p> <p>Team Manager HR Operations</p> <p>SMT/Head Teacher / HR</p>			
ELC CR 18	<p>Service Objectives</p> <p>Legal & Regulatory</p> <p>Physical and/or Psychological Impact on People</p>	<p>Failure to ensure currency of ELC Business Continuity</p> <p>Failure to ensure currency of Business Continuity Plans could lead to services not having a robust response to an incident affecting their service area or critical services may not be maintained, while critical services for the public could be affected and statutory requirements not completed.</p> <p>Non availability of:</p> <ul style="list-style-type: none"> premises, through fire, flood or other unexpected incident; key staff or significant numbers of front-line staff for any reason e.g. a Pandemic; systems (IT, telephony, power failure etc.); any form of transportation due to a fuel shortage. <p>The occurrence of any of these may have an adverse effect on the Council to function fully and to complete critical services and statutory requirements.</p>	<p>Business Continuity Framework Plan in place and regularly reviewed.</p> <p>Business Continuity Plans are maintained for all service areas, giving details of minimum levels of staff, alternate locations, exercise and review dates.</p> <p>The Chief Executive has a statutory responsibility for the ELC BC process. The Heads of Service remain responsible for ensuring their BC process is completed.</p> <p>Each service area now has a Single Point of Contact (SPoC) and deputy who are responsible for their services BC Plan, exercising this plan and ensuring it is maintained. All BC Plans are managed through Continuity² Software.</p> <p>The Council carried out a Council Wide Business Continuity Exercise in November 2019 which successfully tested the BC capabilities of the Council. Each Service carries out an annual BC exercise.</p> <p>ELC staff have access to an e-learning package on Business Continuity which was reviewed and refreshed during March 2021.</p>	<p>Emergency Planning, Risk and Resilience Manager</p> <p>Emergency Planning, Risk and Resilience Officer</p>	2	4	8	<p>Progress Business Continuity Plans with Education and H&SCP in order that each School and Care Home has a plan.</p> <p>Progress updates to Council wide BC plans to ensure each Service has a live BC plan which is exercised fully on an annual basis and provides support to the Team if BC is invoked, including loss of premises/staff etc.</p>	2	3	6	<p>EP&R Officer</p>	<p>April 2025</p> <p>October 2025</p>	<p>Risk refreshed November 2024 by Service Manager, EP & Resilience with no change to risk scores.</p>

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			<p>Business Continuity Plans are invoked as Services suffer BC issues with a fortnightly update of invoked plans provided to CMT.</p> <p>An IT Disaster Recovery Plan is in place and will be regularly updated when any changes take place in the main data centres. For single server failure - there are over 100 systems now running on virtual servers which automatically fall over to another server if there are hardware issues. Specific disaster recovery arrangements are in place for telephony, e-mail and social care.</p> <p>Controls in place to prevent and limit the effects of IT system unavailability including firewalls, anti-virus software, system/data backup routines and resilience in the form of a back-up generator at JMH for the main data centre.</p> <p>ELC services are encouraged to take all risks that may impact on East Lothian into account when completing their Business Continuity (BC) plans as an example, severe weather or electricity failure or extreme staff shortages. BC plans are key to ensure ELC services continue to provide their critical activities.</p>											
ELC CR 19	Legal & Regulatory	<p>Failure to maintain, review & exercise Emergency Planning, Incident Response and Management</p> <p>Failure to maintain, review and exercise Emergency Contingency Plans and to comply with current guidance and legislation or to contravene current legislation, which may result in severe penalties as well as an ineffective response to an emergency.</p> <p>Any ineffective preparation and planning for potential crises and disruptive events such as those reflected within the Community/UK Risk Register, that directly relate to the council as a 'Category 1 Responder' may result in the council's inability to effectively respond and manage the event in a way that minimises harm to the community, our employees and the reputation of the council. For example, connectivity between partner agencies during a response to spontaneous events/incidents is challenging due to several agencies using different software and platforms.</p>	<p>Contingency plans in place, to address risks as identified in the UK National Risk Register and that are most likely to impact on East Lothian, including generic, site, event and response specific. Incident response processes and resources are identified in contingency plans.</p> <p>Training and exercises to ensure emergency arrangements remain 'fit for purpose' and to test the robustness of contingency plans.</p> <p>Ensure 'key' ELC staff continue to stay abreast of incident/ emergency response arrangements and processes and are aware of their role and how they integrate with multi-agency partnership working.</p> <p>The Council works with Community Councils (CC) and other community groups e.g. Tenants and Residents Associations to promote and progress 'Resilient Communities' as per the Scottish Government initiative 'Ready Scotland'. The council communicates directly with community groups as risk warnings are received. Resilient Community Single Points of Contact (SPoC) are in place for the majority of CCs and are fully aware of their responsibilities.</p> <p>Corporate emergency planning arrangements are in place, including</p>	Team Manager – Emergency Planning & Resilience	2	4	8	<p>Ongoing communication with ELC 'Resilient Communities'/ Community Councils to create Resilient Communities plans.</p> <p>Future Emergency/Resilience training will be progressed with ELC staff, strategic, tactical and operational.</p> <p>An ELC response plan for incidents of significant electricity failure, also known as power loss or blackout, will be created alongside Scottish and UK Government guidance. Such an incident will have major impacts for all councils and there are no easy answers with a major such incident expected to last up to 7 days. However, this plan will ensure ELC is prepared, as much as it can be, to respond and recover from such an incident.</p>	1	4	4	J Fleetwood TM EP&R TM EP&R	March 2025 August 2025 January 2025	Risk reviewed by EP, R & R Manager, August 2024 with no change to risk assessment scores.

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			<p>media/public information and social care arrangements.</p> <p>Working with other Category 1 and 2 Responders e.g. Police Scotland, Scottish Fire & Rescue Service (SFRS), Scottish Ambulance Service (SAS), Utility companies etc. as defined by the Civil Contingencies Act 2004 to ensure an effective and integrated response.</p> <p>A full Level 2 nuclear emergency response exercise took place in June 2024.</p> <p>Debriefing processes are followed, when appropriate, to enable lessons learned to be fed back into contingency planning.</p> <p>ELC services are encouraged to take all risks that may impact on East Lothian, into account when completing their Business Continuity (BC) plans as an example, severe weather or electricity failure. BC plans are key to ensure ELC services continue to provide their critical activities.</p>													
ELC CR 20	Physical and/or Psychological Impact on People Legal & Regulatory	<p>Communicable Disease Outbreaks of Public Health Significance</p> <p>ELC continue to liaise with NHSL Public Health Service, and wider national and international reports e.g. World Health Organisation, to monitor public health advice and guidelines relating to all public health outbreaks e.g. legionella. Pandemic, et al.</p> <p>The ability to quickly and effectively respond to any declared national or local public health outbreak remains embedded in Civil Contingency Act 2004 first responders e.g. NHS, Police, Fire, Councils.</p> <p>As of November 2024 there remains a risk globally from Monkeypox which ELC continue to monitor and following WHO and Government advice. ELC is not expected to implement any control measures.</p>	<p>Protective Services continue to have regular engagement with East Region Health Protection Team (ERHPT) and are ready to work in partnership with NHS Lothian/ERHPT in relation to standing up a response where required. This includes a watching brief on emerging issues such as avian Influenza and other CD which may emerge / increase due to climate change.</p> <p>Public Health Scotland continue to work with UKHSA to monitor.</p> <p>Established mechanism to stand up the Council Management Team (Critical Incident Response Team) to oversee and direct the Council's response to any public health outbreak including processes to establish proactive communicating and encouraging compliance with all government and public health authorities' advice and reducing the impact/spread of misinformation by relying on information from trusted sources</p> <p>Due to increased immunity in the population, C19 is now a relatively mild disease for the vast majority of people. However infection continues throughout the year with no pattern of seasonality. The vaccination programme continues to be reviewed.</p>	Head of Operations, H&SCP Service Manager, Protective Services			2	3	6	There is a pre-exposure vaccination programme underway in Scotland for those at risk.	2	3	6	Service Manager, Protective Services	December 2024	<p>Risk reviewed November 2024 by Service Manager – Protective Services and Chief Officer, H&SCP with no changes to risk scores.</p> <p>Risk reviewed March 2024 by Director of ELHSCP and Head of Operations with Current Risk Score reduced to 6 due to vaccination programme established.</p>

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			<p>H&SCP continues to support delivery of the COVID19 vaccination programme however COVID deprioritised in favour of flu uptake due to the clinical benefits. Key changes are</p> <ul style="list-style-type: none"> JCVI statement on the COVID-19 vaccination programme for autumn 2024, 8 April 2024 - GOV.UK (www.gov.uk) Published Friday 02 August 2024. <p>Eligible groups:</p> <ul style="list-style-type: none"> residents in care homes for older adults adults aged 65 years and over persons aged 6 months to 64 years in a clinical risk group (as per COVID-19 Green Book Chapter) JCVI does not advise Covid-19 vaccination for frontline HSCWs, staff in care homes for older adults, unpaid carers & household contacts of people with immunosuppression." <p>However, SG has agreed to offer Covid-19 vaccination to frontline staff & staff in care homes for older adults this winter.</p> <p>EL H&SCP have a well-established vaccination programme and resilience to react to most anticipated scenarios. New Spring programme and the new RSV vaccination starting in Summer 2024.</p> <p>Resilience Direct continues to be available for use to share information on a multi-agency basis.</p> <p>Business Continuity Plans in place in all services leading to staff continuing to work from home unless it is essential for them to be in their place of work.</p> <p>Resilient Communities Groups exist in each Community Council area and Groups are ready to stand-up when required.</p> <p>Volunteer Centre East Lothian collaboration over support for local Third and Voluntary sector organisations able to respond to consequences across communities.</p> <p>The Council provides a prime source of local EL public information, constantly updated, in the Council Website as well as regular updates on Social Media platforms.</p>											
ELC CR 21	Reputation & Legal Regulatory	Failure to meet Standards in Public Life Failure of corporate governance or to meet standards in public life. Failure of the Council's corporate governance or of officials or members to meet standards in public life could result in reputational damage.	Standing Orders (the Schemes of Administration and Scheme of Delegation) are regularly reviewed and revised. The most recent review took place in April and June 2023, with two reports to Council, and further revisions being made to the	Service Manager – Governance	2	2	4	The Council's Standing Orders are reviewed regularly, and a further review will be undertaken in late 2024 after a period of operation of the Hybrid Committee Meetings system to ensure they remain up to date and relevant.	2	2	4	Service Manager – Governance	December 2024	Risk Reviewed by Head of Corporate Support September 2024 with no change in risk scores.

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			<p>Schemes of Administration and Delegation in 2024.</p> <p>The Council has an adopted Code of Conduct for its employees which gives all employees greater clarity around the standards of behaviour expected of them. Breach of the Code may amount to a disciplinary offence.</p> <p>Training on the Councillors' Code of Conduct is offered to Members periodically with regular updates from the Standards Commission circulated to Members.</p> <p>The Council's Monitoring Officer and Depute Monitoring Officers provide advice as required.</p> <p>An induction programme for new Councillors was delivered to both new and returning Members. This included training on standards in public life and, specifically, on compliance with the requirements of the Councillors' Code of Conduct.</p> <p>A 100-day review took place with our Elected Members in August 2022. This was carried out by way of face-to-face meetings with Elected Members and covered the Elected Member Induction Programme, the Councillors' Code of Conduct, PA support, office accommodation, Access to Council officers, committee papers, surgeries, and further training and development.</p>											

Original date produced (Version 1)	13 April 2011		
File Name	East Lothian Council Corporate Risk Register		
Original Author(s)	Scott Kennedy, Risk Officer		
Current Revision Author(s)	Scott Kennedy, Risk Officer		
Version	Date	Author(s)	Notes on Revisions
71	February 2024	S Kennedy	Updates made to Workforce Challenge, Maintenance of Assets and Climate and Nature Emergency risks.
72	March 2024	S Kennedy	Communicable Disease risk reduced from 9 to 6 due to vaccine programme in place and Homelessness, Refugee / Asylum Schemes and IS & DP risks updated.
73	March – April 2024	S Kennedy	Risk Register reviewed by Executive Director Council Resources, Head of Finance and Head of Communities with updates made to Financial Environment, Maintenance of Assets and Workforce Challenges risks. Cost of Living Pressures and Economic Volatility risk removed, March 2024.
74	April – May 2024	S Kennedy	Equality, Standards in Public Life, Business Continuity and Emergency Planning risks reviewed.
75	May 2024	S Kennedy	Information Security and Data Protection risk split into two risks. All remaining Corporate Risks reviewed.
76	July 2024	S Kennedy	National Power Outage Risk updated.
77	August - November 2024	S Kennedy	Risks reviewed prior to December presentation to Council followed by transfer to risk software.

Risk Score	Overall Rating
20-25	Very High
10-19	High
5-9	Medium
1-4	Low

REPORT TO: East Lothian Council

MEETING DATE: 10 December 2024

BY: Executive Director for People

SUBJECT: Update on Regional Strategic Sites Programme and Recommendation to Prepare a Strategic Outline Business Case for Blindwells New Settlement

5

1 PURPOSE

- 1.1 This report updates the Council on the Regional Joint Committee's approval of the Strategic Sites Programme for South East Scotland, which is linked to the implementation of the Edinburgh and South East Scotland City Region Deal, and the Regional Prosperity Framework and its associated Delivery Plan. In that context, the report also recommends that East Lothian Council agrees that officers seek to develop a Strategic Outline Business Case for Blindwells new settlement for government consideration.

2 RECOMMENDATIONS

- 2.1 This report recommends that East Lothian Council:
- Notes the approval by Regional Joint Committee of the Strategic Sites Programme for South East Scotland (See Appendix 1);
 - Agrees that officers seek to develop a Strategic Outline Business Case (SOBC) for Blindwells New Settlement, which should be done in collaboration principally with both governments and their agencies, Scottish Futures Trust and relevant Blindwells landowners (represented by Hargreaves Services Plc and Taylor Wimpey Plc); and
 - Notes that future East Lothian Council and Regional Joint Committee decisions on a Blindwells Strategic Outline Business Case (SOBC) should be targeted for June 2025, and if such a SOBC is approved it should be submitted to both governments for their consideration.

3 BACKGROUND

Edinburgh & South East Scotland City Region Deal: Housing Programme

- 3.1 In August 2018, the Council signed the [Edinburgh & South East Scotland City Region Deal](#) (the Deal), having agreed [Heads of Terms](#) with both governments for it in August 2017. The Council also agreed regional [Governance and Project Management Arrangements](#) to enable collaborative working with Regional Partners in October 2017.
- 3.2 The Deal includes the Regional Housing Programme, and its seven strategic sites. These strategic sites are at Blindwells, Calderwood, Dunfermline, Granton (Edinburgh's Waterfront), Shawfair, Tweedbank and Winchburgh. They can deliver over 41,000 homes, including around 10,000 affordable homes. They are a key part of the region's overall economic ambitions, and the Deal therefore provides for government support to help enable the potential delivery of the sites via government approval of UK Treasury Green Book compliant business cases.
- 3.3 The Deal notes that the Scottish Government and Regional Partners are committed to work together to deliver these strategic sites, recognising their long-term nature and strategic benefits. To support this, the Scottish Government has committed at least £50 million through the Deal, and also commits to working with Regional Partners to develop fresh ideas and creative solutions to enable delivery of the sites and new homes on them, including affordable homes. Business cases must be prepared for each site to set out relevant support 'requests' of governments, to be approved via the Deal's governance for submission to governments.
- 3.4 Strategic sites at Winchburgh and Dunfermline have approved business cases, and their development is underway. Granton, Tweedbank and Blindwells are the next priority business cases to come forward. Granton and Tweedbank are progressing Full Business Cases. For Blindwells, the first formal business case stage, being preparation of a Strategic Outline Business Case, is yet to commence, albeit this project is nearing a point where it could progress this. If a Strategic Outline Business Case is approved by governments, the Outline Business Case and Full Business Case stages, then project implementation, may follow; overall, the business case process can take three years or more to complete.
- 3.5 Importantly, the Deal runs to the end of March 2033. This means that any government support and associated spend under the Deal to help enable delivery of these sites via government approval of associated business cases must be drawn down by then. In this context, there is also a need to take account of timelines for business case preparation and approval, strategic and other planning decisions, and any lead-in and delivery timescales for the delivery of interventions for which any government support is approved via business cases.
- 3.6 Additionally, to enable many of the strategic sites, the scope, scale and duration of government support required is likely to go beyond the Deal.

For example, there will be a need to address a range of issues, including financial innovation in capital and revenue terms, and the provision of new transport, education, community, healthcare, net zero and other capacity and facilities; further revenue support will also be needed to provide capacity for growth in public services. The co-ordination of such place-based, interagency joined-up solutions will also take time to find.

- 3.7 Regional Partners have engaged with both governments on these and other points to explore the potential for further collaborative working to find solutions that may enable delivery of the strategic sites, via business case development. The outcome of this engagement is reflected in the approved Regional Prosperity Framework and its Delivery Plan, and now also in the approved Strategic Sites Programme, as discussed below.

Edinburgh & South East Scotland: Strategic Sites Programme

- 3.8 The Edinburgh & South East Scotland Strategic Sites Programme was approved by Regional Joint Committee on 18 October 2024. It is linked to the delivery of the Deal, particularly its Housing Programme, and the [Regional Prosperity Framework](#) (approved by Council in October 2021) and its [Delivery Plan](#) (approved by Council in February 2023).
- 3.9 The Strategic Sites Programme is a strategic document that proposes that UK and Scottish Governments help to streamline collaborative working on the development of, pursuant ultimately to their approval of, business cases that can help to enable the delivery of the region's strategic sites, including for Blindwells new settlement. The Programme also seeks to extend the scope of support that may be available from governments, recognising the need for bespoke place-based solutions to enable each site and the benefits they can deliver individually and cumulatively, at local, regional, national and at UK level.
- 3.10 The precursor to the Strategic Sites Programme came in October 2023, when Regional Partners met with the then Parliamentary Under-Secretary of State for Scotland, and the Scottish Government Minister for Wellbeing Economy, Fair Work and Energy, on the Regional Prosperity Framework and its Delivery Plan. At that time both governments agreed that Regional Partner's ambitions for the future regional economy were shared by both governments, including ambitions for the delivery of the strategic sites across the region. The Regional Prosperity Framework and its Delivery Plan are now recognised as national priorities in [Programme for Government](#) (page 19, bullet 4).
- 3.11 Also in October 2023, Regional Partners met with the Scottish Government's Minister for Housing to discuss the Regional Prosperity Framework and the strategic sites. At this meeting, Regional Partners agreed to develop a Strategic Sites Programme to demonstrate the capital, revenue and other challenges associated with the delivery of the sites, as well as potential solutions and delivery mechanisms, and the opportunities, benefits and outcomes linked to their delivery.

- 3.12 The Strategic Sites Programme at Appendix 1 of this report is the result of this collaborative working with civil servants from both governments and across the Regional Partnership. In developing the Programme, there was regular consultation with regional Elected Members, the Regional Enterprise Council, Chief Executives, Directors, Chief Financial Officers, and the thematic boards of the Deal, as well as Scottish Futures Trust, Scottish Government, and more recently, UK Government officials.
- 3.13 East Lothian Council officers led this work with all Strategic Site Lead Officers across the region and the City Region Deal Programme Management Office (PMO). The University of Edinburgh and officers from the Deal's PMO also worked closely on the Strategic Sites Programme and its economic impact model. Both Scottish and UK Government analysts are content with the modelling approach followed, and the significant scale of economic and wider benefits it shows.
- 3.14 The impact model outlines that the collective impact of our seven strategic sites could deliver around 41,000 new homes including circa 10,000 affordable homes, as well as support 8,000 jobs, and generate £30bn GVA. The Strategic Sites could also unlock a strategic delivery pipeline to help meet need and demand for new homes, including affordable homes, and be a catalyst for at least £4.1 billion private / institutional investment and wider public benefit. Blindwells, being the largest single strategic site, could generate a significant proportion of these benefits locally.
- 3.15 In the context of these significant benefits, and the National Housing Emergency, the Scottish Government has recognised the national importance of our Strategic Sites Programme, and has now included the Programme as a national priority reference in the [2024/25 Programme for Government](#) (Page 14, bullet 3), which was published in September this year. The Strategic Sites Programme also aligns with the UK Government's ambition to boost housing and infrastructure delivery, as part of its Kickstarting Economic Growth and wider Missions.
- 3.16 The Programme recommends to governments that they establish a Strategic Sites Task Force to oversee the delivery of the Programme. It notes that the Task Force should comprise Scottish and UK Government Ministerial and civil servant champions, representatives from the Regional Partners as well as a representative for housebuilding interests. The Task Force should be predicated on partnership working to find solutions that can deliver the strategic sites by ensuring strategic alignment and collective action to unlock their delivery and benefits.
- 3.17 Financial innovation, in capital and revenue terms, will be key to unlock the strategic sites, not least because of the scale of delivery ambitions and the significant challenges facing public sector finances. These wider issues further strengthen the justification for focusing targeted capital and revenue support from governments to help enable the strategic sites, and to unlock their strategic benefits in an efficient and effective place-based way; this will not be a substitute innovative or normal private investment,

including developer contributions, but will provide a basis for enabling such investment in the places that need it most.

- 3.18 The detail of government support requested for each site is to be set out in individual business cases to be prepared under the Programme and Deal. Each business case approved by Scottish and UK Government will set out agreed enabling mechanisms and targeted public investment that will be needed to unlock an agreed programme of benefits from, and associated performance indicators for, each strategic site. Partnership delivery vehicles will need to be established, as appropriate to each site, to ensure site delivery achieves the outcomes and impact intended.
- 3.19 Since approval of the Programme, officers have also engaged with the National Wealth Fund (NWF), formerly UK Infrastructure Bank (UKIB) and the Scottish National Investment Bank (SNIB) on the implementation of the Strategic Sites Programme. Both institutions have made offers of support, and further engagement is planned in the New Year. Initially, this will focus on advice to Regional Partners on how business case 'requests' of governments may be considered relative to the support NWF and SNIB may offer; subsequent engagements in respect of each site's business case development processes are then anticipated.
- 3.20 Following approval of the Strategic Sites Programme, the Convener of the Joint Committee and Chair of the Regional Housing Board have written to Scottish and UK Government Ministers to engage them on the work and to seek a commitment to a tri-partite approach to progress delivery of the Strategic Sites Programme.
- 3.21 This letter is also in the context of planned meetings with the Secretary of State for Scotland and the Scottish Government's Depute First Minister on regional priorities, including the seven strategic sites. At the time of writing, these meeting requests have been accepted, with meeting dates to be set imminently.

Strategic Planning Context

- 3.22 Turning to the strategic planning context, the Lothian Structure Plan 1994 first considered the need for strategic sites and further new settlements across south east Scotland. This was to plan for the long-term population and household projections anticipated to arise from the region's rapid and on-going economic transformation, success and attraction since the mid-1980s. At that time, Blindwells was still being worked as an open cast mine, with its restoration finished around 1998.
- 3.15 The Edinburgh and Lothian's Structure Plan for the period up to 2015 (approved by Scottish Ministers in 2004) confirmed the need to allocate strategic settlement expansions and new settlements across the region, noting the role of Blindwells in this and the potential for its further eastern expansion. The East Lothian Local Plan 2008, in accordance with that structure plan, allocated site BW1, the current circa 130-hectare site at Blindwells, for a new settlement of 1,600 homes, associated land uses and infrastructure, and signposted the potential for its eastern expansion.

- 3.16 In 2013 and 2014 Scottish Minister's approved the Strategic Development Plan for Edinburgh and south east Scotland and its Supplementary Guidance on Housing Land. In line with economic, population and household projections, it set the most significant housing requirements south east Scotland has had to accommodate, for the period up to 2024. It noted the role of Blindwells in this, and the potential for its expansion if a comprehensive solution for it could be found. The adopted East Lothian Local Development Plan 2018 (ELLDP2018) carried forward the BW1 land allocation. During this period planning permission (Ref: 14/00768/PPM and Ref: 21/01580/PM) was approved for the mixed-use development of site BW1, the development of which has now commenced.
- 3.17 In accord with the Strategic Development Plan 2013, the ELLDP2018 also sets out the ambition to expand Blindwells from west to east beyond site BW1. It safeguards site BW2, circa 410 hectares, for such potential expansion. It names the combined 540-hectare BW1 and BW2 land as the 'Blindwells Development Area'. This is one of Scotland's largest development areas, and area of previously developed land, and first new town opportunity at this scale since Irvine in 1966.
- 3.18 The ELLDP2018 sets out key parameters for any such potential expansion of Blindwells within the Blindwells Development Area. These include that a comprehensive solution must be found to deliver the Council's vision for a single new settlement there, with continued west-to-east phasing. It also sets out that the focus of all relevant landowners must be to agree and demonstrate to the Council that they are willing and committed together to deliver the Council's vision for a larger Blindwells, including their joint agreement and commitment to a single funding and delivery mechanism for the provision of shared infrastructure.
- 3.19 The ELLDP2018 goes on to note that this will require the Council to identify and agree how, where and when to provide new education facilities and capacity (as well as same for other infrastructure, on and off-site) as part of the development to ensure the land can be made effective for development on an appropriate phased basis over time. If such a comprehensive solution can be found, it may be possible to accelerate delivery across the wider Blindwells Development Area than would be the case with only continued west to east phasing.
- 3.20 The ELLDP2018 also sets out Policy B3: Blindwells Area Design Framework, which notes that the Council 'intends' to prepare non-statutory planning guidance to describe and illustrate its Vision, development strategy and phasing and timing approach for the development of the Blindwells Development Area. The intention to prepare this guidance must be informed by the willingness of the landowners concerned to find such a comprehensive solution.
- 3.21 In this context, on 25 February 2020, East Lothian Council approved a report on [Development Planning: National Planning Framework 4 / Regional Spatial Strategies / Local Development Plan](#). At that time, the report set out the basis for the Council's submissions to the Scottish

Government on its preparation of National Planning Framework 4 (NPF4). The Council agreed to promote Blindwells and its potential expansion to the Scottish Government as a development of national significance for inclusion in NPF4, noting also that government support should be made available for Blindwells through the Deal pursuant to this objective via its approval of a business case to that end.

- 3.22 Scottish Ministers approved [National Planning Framework 4](#) (NPF4) in February 2023. At high level, it notes that south east Scotland drives the Scottish economy, but there is a need to rebalance opportunity by targeting future growth to regenerating areas. It points to public-sector led development as being able to shape future markets and deliver development in places where change is needed the most. It specifically points to the Deal as having a central role in bringing Blindwells forward, recognising that low-carbon transport solutions and an ‘infrastructure first’ approach will be critical to de-risk and enable its delivery and success, and that such an approach can also reduce development pressure on less sustainable places. As part of this, NPF4 specifically recognises the ‘potential’ to expand Blindwells within the Blindwells Development Area.
- 3.23 Blindwells and its potential expansion offer scope to redevelop land in the Blindwells Development Area, and within East Lothian’s former coal field, adjacent to regenerating communities, which could help enable a more just transition to net zero. There is potential to provide a wide range of opportunities, including delivery of affordable homes to alleviate East Lothian’s recently declared ‘Affordable Housing Emergency’, noting more funding support will also be required. It could be a catalyst for economic, environmental and wider regeneration, pursuant to alleviating inequality. Overall, Blindwells and its potential expansion has potential to deliver a wide range of benefits locally, regionally, nationally and at UK level.
- 3.24 Scottish Minister’s strategic plans recognise Blindwells as one of the region’s potential long-term strategic sites. This is also a core ambition of East Lothian’s current long-term spatial strategy, an intended outcome of which is also to minimise the need to direct future strategic development requirements to East Lothian’s existing settlements, some of which are nearing the limit of expansion beyond which significant changes to their landscape setting, character and infrastructure would be required.
- 3.25 These were important reasons why the Council selected Blindwells as a strategic development location in the first instance, and they remain important reasons now for seeking to prepare a business case, which, if approved by government, may enable ongoing delivery of Blindwells.
- 3.26 The Council has recently approved its Evidence Report for Local Development Plan 2 (LDP2). It highlights Blindwells expansion as an opportunity for consideration in the development of LDP2, noting its financial and planning credentials still require to be confirmed to that end. The Council has submitted the LDP2 Evidence Report to the Scottish Government’s Department for Planning and Environmental Appeals for

‘Gatecheck’ and awaits the outcome of this process before taking the next steps in the development of LDP2.

- 3.27 In preparation for taking these next steps, the LDP2 ‘call for sites’ exercise has been concluded. Responses in respect of Blindwells have been received from Hargreaves (with land interests to the west of the Blindwells Development Area) and Taylor Wimpey (with land interests to the east of the Blindwells Development Area). These submissions promote the respective land interests together and separately, with a business case or not; there is still no settled position between them on a joint approach to delivery at this stage. Both parties have indicated in discussion that government approval of a business case for Blindwells will be key to unlock a joint delivery approach between them.
- 3.28 If the Council does not wish to proceed with the development of a business case for Blindwells, these companies and the landowners they represent will likely have no option but to promote their interests unilaterally (or jointly) without one. They will likely promote a dual phasing development strategy for Blindwells where development commences from the west and east of the Blindwells Development Area simultaneously, generating a risk that such separate development areas do not join. The determination of any such proposals in plan-making and via planning decisions may ultimately be taken by a Scottish Government Reporter or by Scottish Ministers.
- 3.29 NPF4 notes the ambition for a potential expansion of Blindwells and the importance of progressing a business case under City Region Deal to de-risk and enable it via an ‘infrastructure first’ approach; a business case process will need to test if and how continued west to east phasing and accelerated delivery of the wider BW2 land may be de-risked and enabled. The business case must also seek additional revenue support to meet the increase in service demand from Blindwells.
- 3.30 The development of a business case will be essential to test if and how these objectives may be achieved, with all relevant parties working collaboratively on a joint approach that may be agreed between the public and private sectors to find such a comprehensive delivery solution.
- 3.31 For the avoidance of doubt, the ELLDP2018 also notes that if a comprehensive solution with an agreed phasing and timing strategy is not found in a reasonable timeframe, the concept of expanding Blindwells may need to be deleted from the spatial strategy for East Lothian.

The Business Case Development Process and Target Timeline

- 3.32 As noted previously, the Deal requires that business cases are prepared in accordance with UK Treasury Green Book Guidance. Overall, this is a well-defined process with staged outputs and decisions that can take around three years or more to complete, once formally initiated.
- 3.33 The Council is aware that since 2018 officers have progressed significant work on Blindwells in terms of strategic political engagement and shaping

strategic policy to appropriately frame the opportunity, rationale, and case for change. Officers have also engaged around the opportunity at project level, including with landowners with respect to land assembly, technical due diligence, and to identify the need for them to define commercial options and an appetite for partnership working pursuant to business case development.

- 3.34 In the above context, the parties have now coalesced around the development of a Strategic Outline Business Case as the way to seek a joint shared 'infrastructure first' solution that may deliver Blindwells and its potential expansion in a policy compliant way, subject to further due diligence and required government approval. This progress also provides the basis to develop the associated work on the potential financial, management and delivery arrangements, as needed to develop a Strategic Outline Business Case. The parties have now reached a point that represents a significant opportunity to formally commence the business case development process for Blindwells, subject to Council approval so to do.
- 3.35 In this context, Scottish Futures Trust has offered collaborative support to the Council and relevant landowners to seek to progress a Strategic Outline Business Case, and then to help introduce it to governments. This collaboration has been an integral feature of the successful preparation, approval and implementation of business cases pertaining to those other regional strategic sites that are currently being developed.
- 3.36 In this overall context, officers recommend that the formal business case development process for Blindwells should now be initiated under the Deal, in the context of the Regional Prosperity Framework and its Delivery Plan, and Strategic Sites Programme. The strategic political and policy context now indicate that such a business case can be developed, the focus of which can extend beyond the Deal to consider requests for capital support to deliver 'infrastructure first' that could de-risk, enable and accelerate delivery of Blindwells, and for additional revenue support to sustain service delivery there. This is an opportunity for the Council to seek government approval of a business case for such a comprehensive delivery solution for Blindwells including its potential expansion.
- 3.37 The initial Strategic Outline Business Case stage should be prepared in collaboration principally with both governments and their agencies, Scottish Futures Trust and relevant Blindwells landowners (represented by Hargreaves Services Plc and Taylor Wimpey Plc). Once finalised, it would be subject to East Lothian Council and Regional Joint Committee approval before it is submitted to both governments for their consideration, via the Edinburgh & South East Scotland City Region Deal governance.
- 3.38 The target to bring back a Finalised Strategic Outline Business Case for Blindwells to East Lothian Council and Regional Joint Committee for decision should be June 2025 and, if that business case is approved by those forums, it should then be submitted to both governments for their consideration.

- 3.39 Once any Strategic Outline Business Case for Blindwells is submitted to both governments, they will decide if and how to progress ambitions for Blindwells in subsequent business case stages, namely Outline Business Case and then Full Business Case stages.

4 POLICY IMPLICATIONS

- 4.1 If the Strategic Outline Business Case is approved by East Lothian Council, the Edinburgh and South East Scotland City Region Deal Joint Committee, and both governments as relevant, the next stage in business case development will be the preparation of an Outline Business Case. The development of the Outline Business Case should be accompanied by the parallel preparation of the non-statutory supplementary planning guidance, currently signposted by ELLDP2018 Policy BW3: Blindwells Area Design Framework. This non-statutory planning guidance will set out the Council's emerging vision for Blindwells and provide the basis to formally consult on an emerging preferred scheme of development with strategic and technical stakeholders as well as the wider public and communities.
- 4.2 Following consultation on the Blindwells Area Design Framework, and once modified and finalised as necessary to take account of any comments received, the finalised Vision, development strategy and scheme of development therein will provide a firm basis to finalise an Outline Business Case for decision and, if approved, submission to governments for their consideration. If governments approve an Outline Business Case this will effectively offer their 'in principle' support to the associated scheme on the basis of the requests set out in the approved Outline Business Case. This is the stage at which the government support needed to enable the scheme to progress will be clarified, subject to government approval of the subsequent Full Business Case.
- 4.3 If the Outline Business Case is approved, and a Full Business Case is to be developed for Blindwells, in order for the associated scheme of development to be implemented, the Council will need to set out a policy context that enables the business case scheme of development to either be promoted by the emerging Local Development Plan (LDP), or for this to be considered when that plan is operative. The policy approach to this will need to be informed by the business case development process and timeline, relative to the process and timeline for preparing the emerging LDP. Planning colleagues are currently considering options as to how that may be handled from the perspective of the emerging LDP.
- 4.4 An anticipated timeline setting out these temporal interrelationships will be set out more fully in the Finalised Strategic Outline Business Case.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 At this stage, 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 – whilst there are no financial implications at this stage to prepare the Strategic Outline Business Case (SOBC), there will be significant capital and revenue implications that will need to be unlocked through subsequent business case stages.
- 6.2 Personnel - to implement the ambitions set out within the Strategic Sites Programme a dedicated resource will be required to drive it forward, which currently sits outside the capacity of Regional Partners and the Scottish and UK Government. This is the subject of ongoing discussion with Scottish and UK Government.
- 6.3 On the SOBC for Blindwells, this can be developed in collaboration with others, within existing resources and with input from across relevant ELC services, but future business case stages will require additional resources to be determined via the SOBC. Again, on-going discussion with Scottish and UK Government and relevant landowners on how these necessary additional resources can be identified and secured will be necessary.
- 6.4 Other – None

7 BACKGROUND PAPERS

- 7.1 [Strategic Sites Programme](#) – Edinburgh and South East Scotland City Region Joint Committee – 18th October 2024
- 7.2 [Strategic Sites Programme Update](#) - Elected Member Oversight Committee – 16th August 2024
- 7.3 [Strategic Sites Programme Update](#) - Elected Member Oversight Committee – 17th May 2024
- 7.4 [Strategic Sites Programme Update](#) - Elected Member Oversight Committee – 16th November 2024
- 7.5 [Regional Prosperity Framework Delivery Plan](#) - Edinburgh and South East Scotland City Region Joint Committee – 3rd March 2023
- 7.6 [Regional Prosperity Delivery Plan & Prospectus \(Draft for Discussion\)](#) – Elected member Oversight Committee – 13th January 2023

- 7.7 [Government of the United Kingdom: Economic & Social Ambitions Update / Scottish Government: Economic Transformation Update / Regional](#) – Elected Member Oversight Committee - Friday 18th November 2022
- 7.8 [Prosperity Framework Update](#) - Elected member Oversight Committee - November 2022
- 7.9 [Regional Prosperity Delivery Framework](#) – Elected member Oversight Committee - Friday 5th August
- 7.10 [Regional Prosperity Delivery Plan & Prospectus \(Update on Delivery Plan\)](#) Elected Member Oversight Committee – Friday 10th June 2022
- 7.11 [Response to Draft National Planning Framework 4](#) – East Lothian Council – Tuesday 29th March 2022
- 7.12 [Regional Prosperity Framework](#) – East Lothian Council - 16th November 2021 (Item 07)
- 7.13 [Consultation Draft Regional Prosperity Framework](#) – Member’s Library Report (63/21)- June 2021
- 7.14 [Regional Prosperity Framework Consultation Draft for Approval](#) – Edinburgh & South East Scotland City Region Deal Joint Committee – 04th June 2021.
- 7.15 [Regional Prosperity Framework Consultation Draft for Discussion](#) – Elected Member Oversight Committee – 21st May 2021
- 7.16 [Regional Growth Framework Update](#) – Elected Member Oversight Committee - 16 April 2021.
- 7.17 [Ratification of City Deal Governance Arrangements](#) – 27th October 2020
- 7.18 [Regional Growth Framework](#) – Joint Committee – 3rd September 2019
- 7.19 [Edinburgh and South East Scotland City Region Deal](#) – 26th June 2018

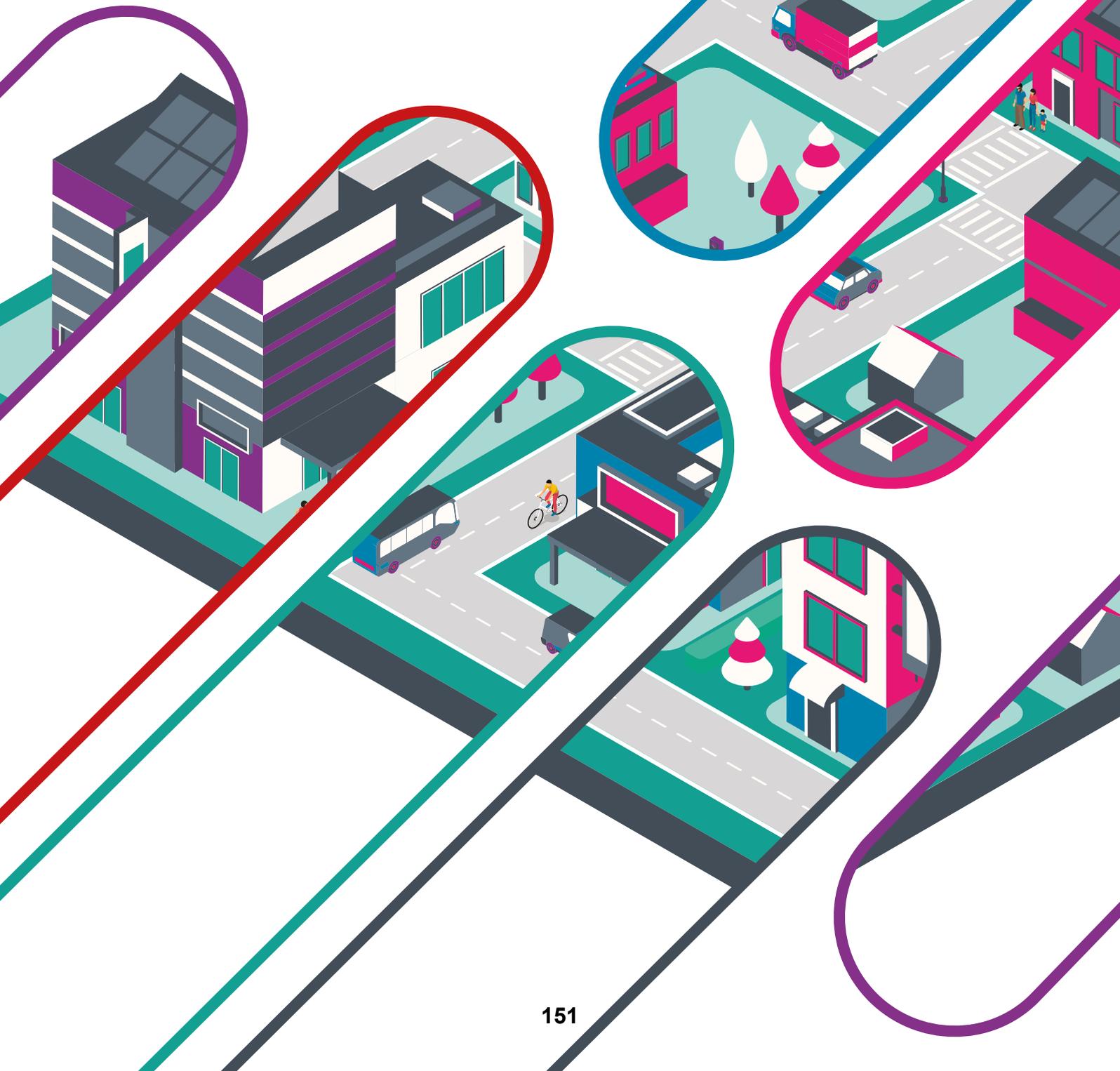
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CITY REGION DEAL

Edinburgh
& South East
Scotland

Strategic Sites Programme October 2024





Contents

1. Forewords	4
2. Introduction	6
3. Our Seven Strategic Sites	10
4. Rationale for Investment	14
5. Strategic Sites Programme	20
6. Strategic Sites Task Force	25
7. When is Action Required?	34
8. Contacts and Further Information	44



1. Forewords

Cllr Lawrence Fitzpatrick
Joint Committee Convener,
West Lothian Council

Regional Partners want to work collaboratively with the Scottish and UK Governments to deliver South East Scotland's strategic housing sites, recognising their importance to our shared economic ambitions. Regional Partners welcome that this work is set out in the Scottish Government's Programme for Government and note that it also aligns with UK Government ambitions to boost housing and infrastructure delivery too.

The sites can help to address the national housing emergency, deliver over 41,000 homes of all types, sizes and tenures, including around 10,000 affordable homes including new social housing, and create 8,000 jobs and £30bn Gross Value Added (GVA). Delivery of the strategic sites will help to improve equality and the health and wellbeing of citizens, alleviate child poverty, and contribute to the productivity of the UK and national economy. An infrastructure first approach to their planning and delivery will provide economies of scale, and the clarity and certainty needed to enable effective transformation of public services and assets. This will allow us to respond to the climate and nature emergencies, and to enable a just transition to net zero.

Targeted capital and revenue support from government is needed to help enable the strategic sites, to overcome market failure, and to deliver public goods and services; this will not substitute innovative or normal private investment, including developer contributions.



Cllr Lawrence Fitzpatrick

Rather, it will unlock a strategic delivery pipeline and be a catalyst for at least £4.1 billion private and institutional investment and wider public benefits. To achieve this, strategic alignment, coordinated action, place-based service and infrastructure solutions, and capital and revenue funding, is required. To find acceptable solutions, partnership working with the private and other sectors will also be necessary. Overall, the sites must be viable, deliverable, affordable, acceptable, and sustainable to come forward.

Regional Partners want to work with the Scottish and UK Governments to deliver this Programme. We propose governments create a 'Strategic Sites Task Force' to oversee the activity. The Task Force could be advised by a 'Strategic Sites Delivery Group' that would identify the targeted place-based infrastructure and capital and revenue support needed for each site. Each site is different, and an agreed 'toolbox' of solutions is needed to allow each to progress in an appropriate way and timescale. The Task Force would seek to confirm the necessary capital and revenue solutions to provide capacity for growth via business case development and government decisions.

Collaborative working within and beyond the City Region Deal, fresh thinking, creative ideas and innovative solutions will be required in business case development. The Place Principle will need to be followed and delivered through alignment of capital and revenue funding. Local Authorities will be gateway sponsors for businesses cases and initiate the governance pathway for submission to governments to take decisions on them.

We want our region to be a great place to live, work and play. We want to deliver communities where people want to live as well as prosperity and sustainably for the whole of the UK, nationally, regionally and locally. To maximise collective impact for people, places and the planet we must think and plan for the long term, and work in partnership and in an aligned, integrated and place-based way. This will be the hallmark of how successful places can be created in future.



Garry Clark
Chair, Regional Enterprise Council

“The Regional Enterprise Council are very supportive of the Strategic Sites Programme. The Edinburgh and South East Scotland area is the fastest growing in Scotland and one of the fastest growing in the UK. Delivering the strategic sites and increasing the supply of new homes across all tenures, including affordable housing, is critical to the region's, as well as wider national and the United Kingdom's, future economic success. Regional Partners, and the wider public, private and third sectors urgently need the support of both governments to achieve this.”

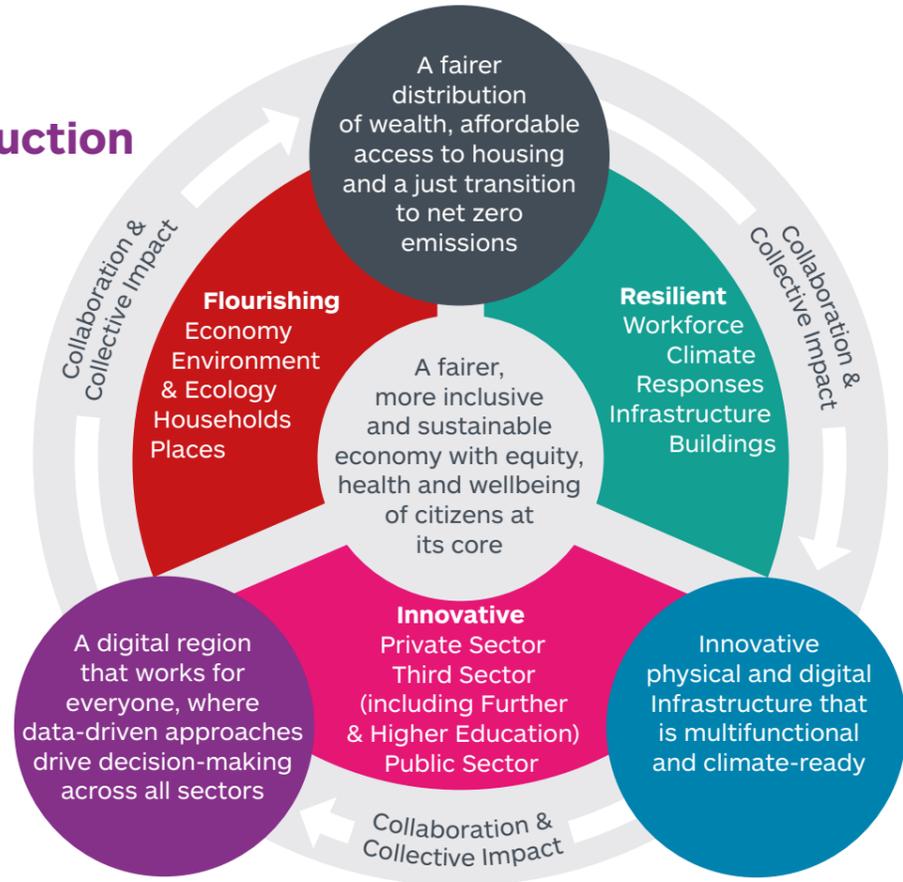


Nile Stephen
Regional Enterprise Council

“This Programme has the potential to unlock the transformation of the region by removing barriers for growth and enabling prosperity to be delivered for citizens and the wider United Kingdom and Scottish economy.”



2. Introduction



This Strategic Sites Programme (SSiP) flows from the Edinburgh & South East Scotland City Region Deal (the Deal) Housing Programme and Regional Prosperity Framework (RPF) Delivery Plan, Programme 1: Green Regeneration – Strategic Regeneration Sites. It focuses on delivery of our seven strategic regional housing sites (Blindwells, Calderwood, Dunfermline, Granton Waterfront, Shawfair, Tweedbank and Winchburgh). It also recognises that on-going growth means that other strategic sites may need to come into the SSiP in future. The challenges of enabling these sites, if resolved, can unlock strategic benefits and alleviate the national housing emergency.

Regional Partners want to work collaboratively with the Scottish and UK Governments on this Programme. Regional Partners welcome that this work is set out in the Scottish Government's Programme for Government. We recognise that supporting the proper functioning of

South East Scotland's labour and housing market will be central to ensuring equality, sustainability and the health, wellbeing and productivity of our citizens and the UK and national economy. The strategic sites can facilitate this, and deliver high quality mixed communities and places, as well as a pipeline of high quality homes that are warm, safe, energy efficient and affordable. They can therefore be integral to achieving a wider range of national, regional and local social, economic and environmental ambitions.

However, targeted government capital and revenue support is needed to enable the strategic sites, to overcome market failure and to deliver public goods and services; this will not substitute innovative or normal private investment, including developer contributions. Rather, it will unlock the strategic sites and their delivery pipeline, be a catalyst for at least £4.1 billion private and institutional investment, and deliver wider public benefits.

The housing delivery pipeline offers scalability for innovation, buying power and efficient, effective and achievable delivery. Provision of infrastructure first is needed to de-risk sites and give clarity and certainty to plan for transformation, and to enable climate adaptation, nature recovery and a just transition to net zero. Delivery of the sites can also facilitate skills development, and retain and attract the highly skilled workforce we need to support our national economic projects with the Scottish and UK Government.

This SSiP seeks to update the scope, scale and duration of the Deal Housing Programme and defines the RPF enablers in this context as:

- Strategic partnerships for collective impact – the need for an overall strategic partnership as well as tailored partnerships for each site to create the clarity and certainty required to coordinate planning, investment and delivery across the public, private and third sectors to maximise collective impact;

- Place-based funding and financial reforms – to identify adequate aggregate place based capital and revenue funding and investment to ensure market failure is addressed, to unlock 'infrastructure first' as well as service delivery solutions, and to ensure the strategic sites are viable, affordable, deliverable, acceptable and sustainable; and
- Power to deliver collectively – to ensure strategic alignment and an appropriate focus on innovation and pooling decisions, actions, assets, resources, funding and investment to de-risk, enable and accelerate delivery of the sites, their outcomes and benefits realisation programmes.

This programme describes how through collaboration and partnership working across the public, private and third sectors these enablers could deliver positive working practices, delivery solutions, actions and outcomes.

This programme links with our other priority regional programmes and projects, such as the Regional Delivery Alliance, Forth Green Freeport, Forth Collaboration Network & Economic Corridor, Net Zero Skills Accelerator Hub, Data Driven Innovation Programme, Regional Transport Delivery Plan, Regional Energy Masterplan and Climate Ready South East Scotland. It therefore fits strategically with a wide range of Scottish and UK Government policies.



There is an urgent need to align shared priorities, funding, investment and decisions across the public, private and third sectors to enable our regional strategic sites and to deliver the shared ambitions set out in:

- Edinburgh & South East Scotland City Region Deal
- UK Government Missions, and Scottish Government Programme for Government
- Scotland Office's Economic Growth Review
- National Innovation Strategy 2023 to 2033
- Net Zero Strategy: Build Back Greener
- National Planning Framework 4
- Scottish Government Regional Economic Policy Review
- Climate Change Plan
- Housing 2040
- Verity House Agreement
- National Transport Strategy
- Strategic Transport Projects Review 2
- Regional Prosperity Framework
 - Green Regeneration
 - Infrastructure for Prosperity
 - Visitor Economy & Culture
 - Data Driven Innovation Economy
 - Regional Housing Priorities
- Local Development Plans and Local Housing Strategies
- Community Wealth Building ambitions



“...the three key Regional Prosperity Framework Delivery Plan Goals are:

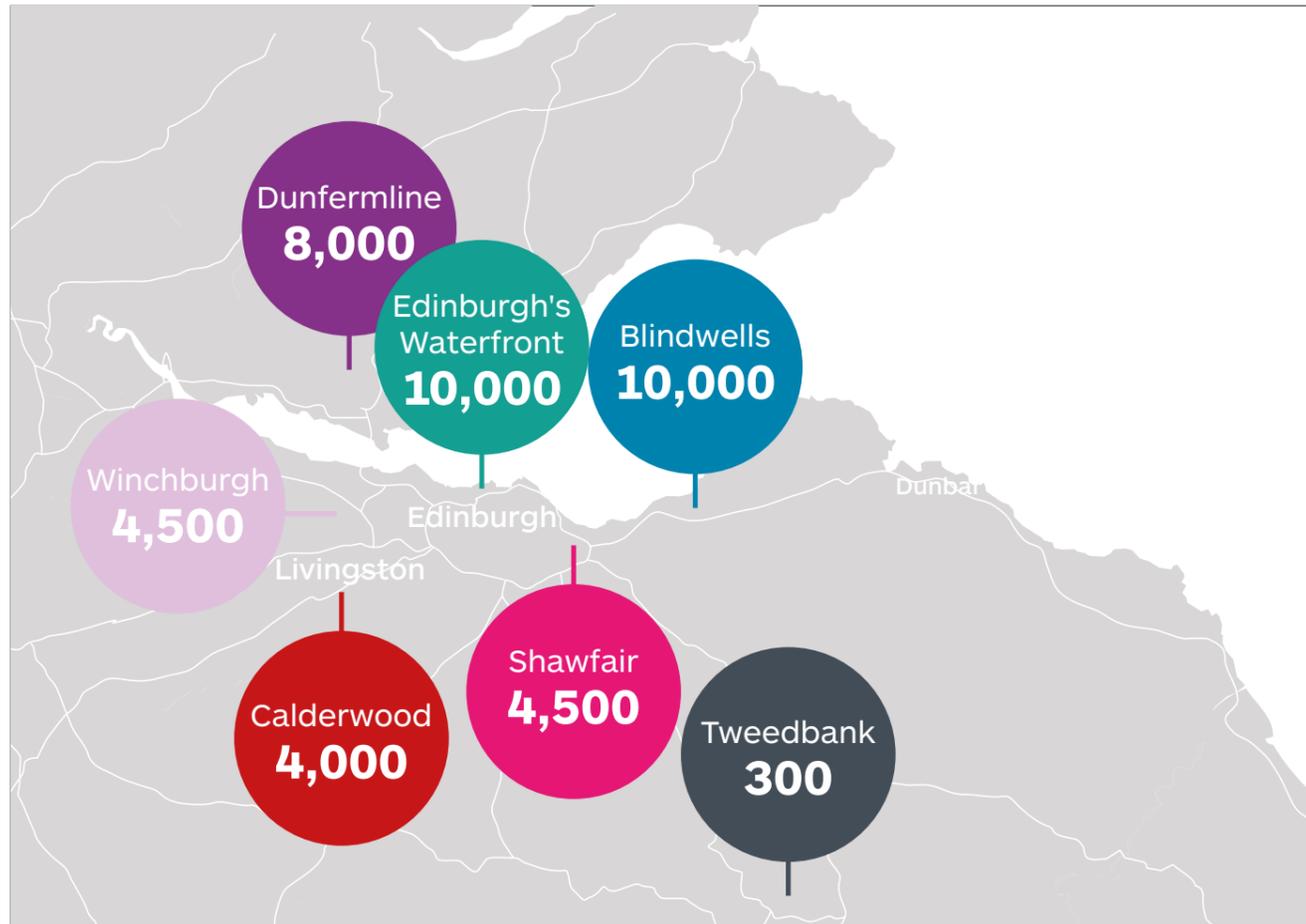
- Reduce economic exclusion
- Sustained and increased competitiveness; and
- Accelerate a fair transition to Net Zero...”

Regional Prosperity Framework Delivery Plan





3. Our Seven Strategic Sites



Strategic Site Name	Homes
Blindwells	10,000
Calderwood	4,000
Dunfermline	8,000
Edinburgh's Waterfront (Granton 3,500)	10,000
Shawfair	4,500
Tweedbank	300
Winchburgh	4,500
Total	41,300

Strategic Site Key Facts

	1. Blindwells New Settlement	2. Calderwood Town Expansion
Scale	Potential for 10,000 homes	2,600 homes
Use	Mixed use, housing led	Housing
Affordable Homes	Circa 2,500	650
Status	Phase 1 underway, Phase 2 safeguarded	Planning permission
Place	SMID	SMID
Requirement	Land Remediation; Strategic Transport; Education; Net Zero Revenue Support	Education
Business Case	SOC in development	None
Timescale	Potentially up to 2050/55	Up to 2040

	3. Dunfermline City Expansion	4. Granton City Expansion
Scale	8,000 homes	3,525 homes
Use	Housing (various sites)	Mixed use, housing led
Affordable Homes	2,000	1,360
Status	Committed and planned	Development Brief
Place	SMID	SMID
Requirement	Transport and education	Land remediation Placemaking Affordable homes Net Zero Infrastructure
Business Case	Approved for transport	FBC in development
Timescale	2050/55	Up to 2040

	5. Shawfair New Settlement	6. Tweedbank Town Expansion	7. Winchburgh Town Expansion
Scale	4,610 homes	300 homes	4,000
Use	Mixed use, housing led	Mixed use, housing led	Mixed use, housing led
Affordable Homes	1,150	130	1,000
Status	Underway	Development Brief	Underway
Place	SMID	SMID	SMID
Requirement	Education	Road and rail bridge; Heat Network; Homes excludes privately funded element; business space; and care village	Rail Station
Business Case	TBC	FBC in development	Approved for enabling works
Timescale	Up to 2035	2040	2040/45



Strategic Site Benefits



Gross Value Added

Over £30 billion of Gross Value Added for the regional, Scottish and UK economy. £16 billion of which is additional value.



Net Zero

The intention is **by 2045, all strategic sites will be net zero**, reducing carbon emissions and encouraging a greener future.



Housing

Around 41,000 homes to be built across seven strategic sites by 2055.



Affordable Homes

Around **10,000** of the homes constructed **will be affordable homes**, supporting low income households and first-time buyers.



Health Impact

NHS Scotland highlights that improved housing availability will **increase health outcomes for residents**.



Poverty Impact

Increased affordable home availability and the subsequent filtering effect this creates will support the challenge in **tackling poverty in children and families**.



Jobs Created

With over 2,800 additional jobs to be created through employment land and over 1,700 additional jobs to be supported in construction this investment supports over **4,500 additional jobs** in the region.

Value for Money

Regional Partners and the University of Edinburgh have carried out a refresh of the economic appraisal of the seven strategic sites, in line with UK Treasury Green Book Guidance. Scottish and UK Government economic analysts support the principle of the approach and methodology taken in so doing.

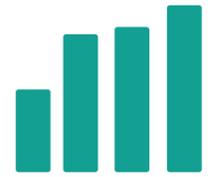
The results of this analysis show significant economic benefits, ranging from £30bn GVA uplift to 8,000 gross jobs and a significant positive impact on health and poverty outcomes. In terms of additionality (the benefits generated that can be considered above what would have happened without this Programme), it is estimated that £16bn of the value added can be considered additional, as can over 4,500 of the jobs created/supported by this investment.

Substantial private sector leverage is also created with an overall construction value of £4.1b unlocked by targeted public sector investment in 'infrastructure first' and support for service delivery.

Taking account of the Scottish Public Spending Review, to assess likely public sector costs for all sites, the public sector cost equates to around £12.4bn.

The preliminary estimates of economic benefits and costs generated by the Strategic Sites Programme therefore result in a return of £1.33 for every £1 spent by the public sector. This positive ratio shows the Strategic Sites Programme's value for money. All costs and benefits are discounted to take account of the social time preference in line with UK Treasury Green Book Guidance.

These benefits will be further refined when developing project business cases for each of the sites to be brought forward under this Strategic Sites Programme. In preparing these cases consideration will be required of a wider range of economic, social and environmental impacts than currently captured. This will involve quantitative and qualitative approaches, including consideration of Land Value Uplift and the public health benefits of new housing, such as physical and mental health and wellbeing.



Private Sector Leverage

£4.1 billion of investment leveraged from the private sector, creating a universally beneficial collaboration.



Value for Money

Preliminary estimates are that for every £1 of public cost, £1.33 of value will be generated both in the region and elsewhere.



4. Rationale for Investment

Regional Transformation

To accommodate population growth driven by our economic success, South East Scotland has delivered a scale of housing growth since 1994 equivalent to building a new Erskine, Dundee and Aberdeen. This growth has largely been distributed to existing communities to make best use of existing assets. This was also done to help address inequality and share prosperity across the region. Yet many of our existing communities and our services, facilities and infrastructure now have very limited capacity to accommodate further growth at this pace and scale on an on-going basis in future.

However, the Scottish Government's National Planning Framework 4 (NPF4) requires another Dundee to be built across our region by around 2035. In doing so, it notes the importance of rebalancing opportunity and targeting investment and regeneration where it is needed most, including reusing previously developed land. It points to our strategic housing sites as key priorities, and notes that public sector led development, infrastructure first, and the place principle will be essential requirements to shape future markets, de-risk development, and deliver benefits where they are needed most.

This regional growth trend will likely continue beyond the NPF4 horizon as our growing economy continues to attract migrants and our growing population forms new households. The global systemic issues we face also justify a long term view of strategic site delivery. A focus on early intervention and prevention must be at the heart of what we do, to avoid reactive incremental approaches. Long term solutions can achieve economies of scale, value for money and maximise benefits, if they are affordable, viable, deliverable, acceptable and sustainable. In some cases, public investment is needed to deliver what the market can not.

We must work strategically and in an integrated way to assess the long term needs of our people and places and identify how best to deliver this at our strategic sites. Strategic alignment and a long term commitment from Scottish and UK Government is required to support delivery of such sites and their public services, facilities and infrastructure. Such leadership and shared solutions will be needed to enable and de-risk the sites and provide the clarity, certainty and confidence for Local Authorities to also support their delivery.

	Housing Target	Homes Per Year	Equivalent in Scale to ...
Lothians Structure Plan 1994 (1992 – 05)	36,500*	2,800	East Kilbride (13 yrs)
Lothians Structure Plan (2001 – 2015)	76,000*	5,070	Dundee (15 yrs)
Strategic Development Plan 1 (2009 – 2024)	107,560	7,170	Aberdeen (15 yrs)
National Planning Framework 4 (2023 – 33)	72,300	7,230	Dundee (10 yrs)

*Excludes Scottish Borders and south Fife

We now urgently need targeted government investment to be a catalyst for enabling and aligning wider public, private and third sector delivery to maximise outcomes, benefits and positive impacts.

Current State of the Region

The Regional Prosperity Framework Delivery Plan notes the dynamic global context that we operate in. This includes the climate and nature emergencies, global conflict and political unrest, constrained supply chains, workforce pressures and the pace of technological change. These factors impact interest rates, inflation, and the way goods and services are consumed and delivered, and their price. They have also driven up costs, and reduced capacity to deliver.

Against this backdrop, in a Scottish and UK context, our region faces a unique set of opportunities and challenges. We experience rapid growth in population with slow or declining population elsewhere. We continue to attract talent to live and work in the most economically successful part of Scotland. However, revenue support is tightest here, and this is placing unprecedented downward pressure on budgets, infrastructure and services, such as education, and health and social care, when demand is increasing.

The Scottish Government has declared a national housing emergency. This region currently also has four Local Authorities (The City of Edinburgh Council, Fife Council, Scottish Borders Council and West Lothian Council), that have declared housing emergencies due to the unprecedented pressure on housing and homelessness services in their local areas.

The impact of accommodating growth in capital and revenue terms is constraining the ability to deliver it, and same is true in terms of the ability to run services needed to sustain it. This situation places delivery, equality and our overall prosperity at risk.





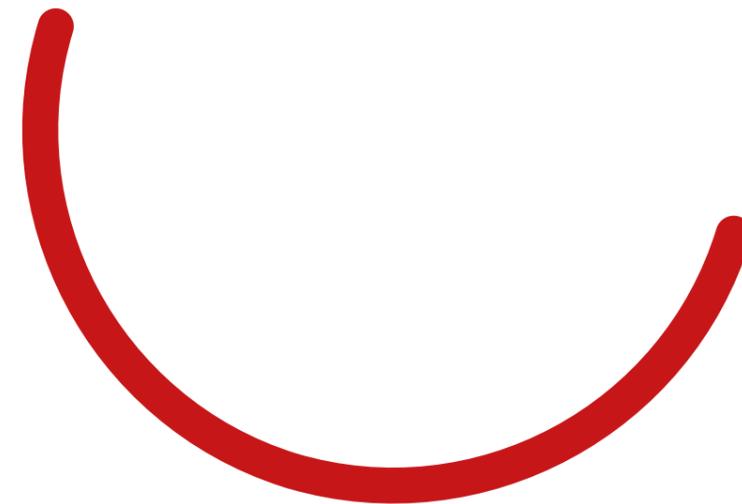
Problems & Constraints

- Need to address inequality, child poverty, homelessness and meet housing need
- Need for additional infrastructure and service capacity, and funding to meet the cost of delivering and operating that capacity including to accommodate growth at local as well as on a regional, cross boundary and cumulative basis
- Need for shared infrastructure and market failure issues and externalities to be addressed
- Need to regenerate places and previously developed land and buildings with high abnormal costs, which is also impacting development appraisals
- Market generally controls pace, scale and timing of delivery (public sector is currently reactive)
- Need for deliverable housing land to meet need and demand when and where needed
- Significant capital and revenue budget constraints impacting services and affordability
- Need to coordinate and align planning and investment to transform and decarbonise
- Skills and labour shortages, and need to enable sustainable construction skills



Opportunities & Benefits

- To significantly increase the region's impact at UK, European and global levels
- To support the driver of Scottish economy and its transformation to green growth
- To help address the National Housing Emergency within the region where housing need and demand is most significant nationally
- To enable our regional growth USP and ambition – European Data Capital – and wider ambitions and investments – Green Freeport / Deal / UK Government Missions
- To enable on-going fiscal redistribution of prosperity across the UK, nationally, regionally and locally to address inequality and child poverty
- To deliver opportunities at scale and deliver efficiency, effectiveness and value for money when using scarce resources
- To plan for transformation, modernisation and decarbonisation of the public estate and to enable shared services and facilities
- To increase tax take and reduce welfare costs at national and UK level





Challenges & Risks

• Interrelationships between, and need to address, National Housing Emergency, and wider labour, funding and delivery crises, requires aligned policies, ambitions and investments

• New housing is needed at pace and scale to accommodate population and household growth that exists and is anticipated, but it can not be delivered without additional government support in capital and revenue terms

• If housing and infrastructure is not provided this will impact how the housing and labour market function, undermining equality

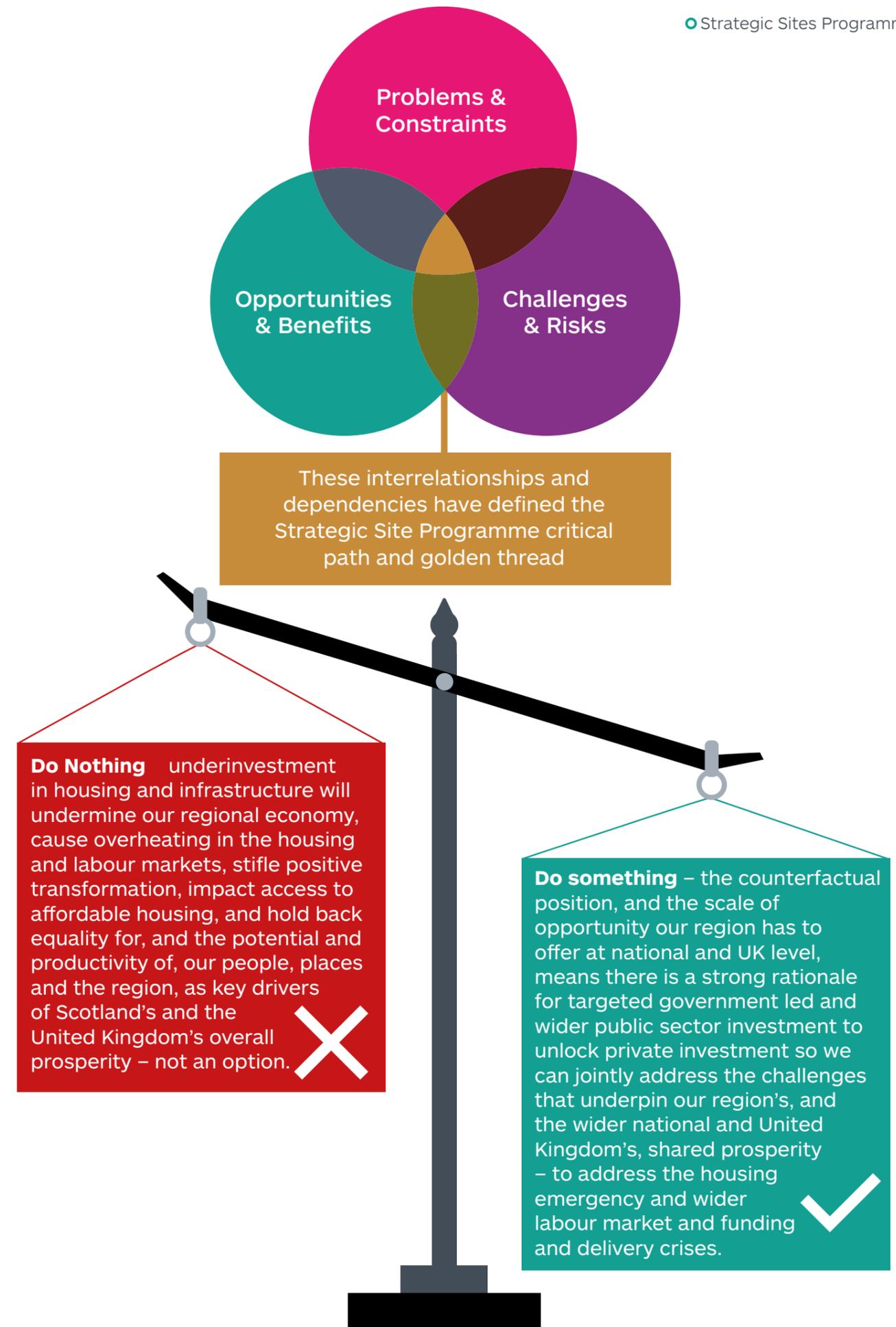
• Underinvestment in housing and infrastructure is a barrier to growth and risks equality gaps widening, welfare bill increasing, and tax take reducing

• Need to retain and attract the highly skilled workforce required to support our shared economic ambitions with Scottish and UK Government

• Impact on market conditions from interest rates, mortgages and inflation

Interrelationships & Dependencies

Taken together, these contextual factors combine to present broadly two potential options in response to the current situation, and frame the critical path and golden thread for the preferred way forward for collaborative working with both governments:





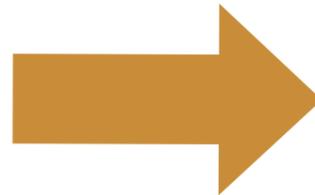
5. Strategic Sites Programme | Golden Thread

Opportunities

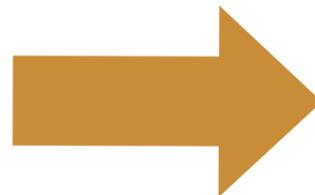
- South East Scotland is the driver of overall national growth and prosperity, and the ability to effect a redistribution of prosperity generated here for overall equality
- Address the National Housing Emergency declared by Scottish Government on 15th May 2024 and to deliver affordable housing with scope to absorb any future slippage in the national affordable housing delivery programme
- Need to address child poverty, homelessness and inequality
- Appetite for place-based aggregate capital and revenue funding (UKG and SG) and for strategic alignment and impact
- Population growth and demographic changes – 100k housing need and demand by 2040 needs pace and scale of housing and infrastructure delivery for 220,000 people – equivalent in scale to a delivering a new Aberdeen in around 15 years
- Need to work together to find innovative solutions, including to deliver net zero at pace and scale
- Opportunity to leverage at least £4.1 billion private investment, and to enable, co-ordinate and focus strategic investment on the housing delivery pipeline, recognising private borrowing can support Registered Social Landlords deliver affordable homes at the sites
- Pipeline offers scalability for innovation, buying power, and more efficient, effective, affordable and achievable delivery, with more clarity and certainty
- Appetite for focused infrastructure first delivery models (UKG and SG) to enable and de-risk sites and unlock their benefits
- Infrastructure first delivery is an opportunity to create efficiencies, clarity and certainty, economies of scale and budget alignment for place making and delivery
- Can help enable wider public sector estate transformation at national, regional and local level, potentially extending to wider sectors, including higher and further education institutions, with potential to deliver shared assets at sites
- Skills Development, training and upskilling – Opportunities for additional investment in existing regional skills programmes that will provide a strong pipeline of enhanced talent for the sector through training and upskilling in emerging green technologies and relevant new sustainable construction techniques
- Significant benefits programme from pipeline, including wellbeing from employment

Goals/Spending Objectives

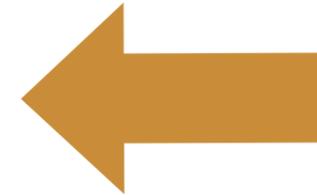
1. Use public sector led development to de-risk sites, provide clarity and certainty to leverage investment, innovation, sustainable delivery, and align place based action;



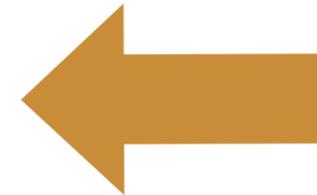
3. Increase the pace and scale of affordable housing delivery, and the delivery of housing of all types, sizes and tenues, to meet need and demand;



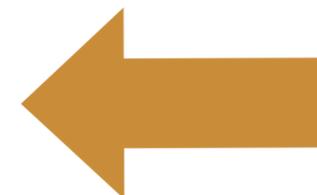
5. Mixed communities with modern, efficient and effective shared services, facilities and infrastructure, a wellbeing economy, and a more just transition to net zero.



2. Better balance of access to opportunity across the region, focusing action where it is needed the most;



4. Unlock a deliverable, viable, affordable, acceptable and sustainable 30 year strategic site delivery programme, and culture of partnership working;



Challenges

- Lack of capacity to accommodate growth in terms of capital and revenue impact, despite need, demand, deprivation, regeneration and previously developed land
- Significant abnormal costs, infrastructure and service capacity constraints to site delivery – risks of sites not starting, stalling, stopping, and overreliance, and therefore also risks to service, infrastructure and funding and delivery solutions
- Strategic alignment between both governments, their agencies, regional partners, local authorities and the private and third sector needed to identify and deliver a programme of strategic site infrastructure and service delivery solutions
- Sites mainly privately owned, and their delivery is subject to wider investment decisions of others – need targeted government investment to help de-risk and enable sites and attract private and other investment in them
- Market led, cash flow driven approach sets pace / scale of delivery and access to affordable homes (not ‘need’) and can be challenging to deliver infrastructure when needed to unlock sites, relative to cash flow from sales revenue
- Planning for delivery of public services, infrastructure and facilities reactive to market delivery of sites, and challenging to strategically coordinate budgets and solutions – need comprehensive shared solutions for delivery of sites to bring clarity to the pace and scale of delivery with matching services and infrastructure
- Need bespoke Scottish ‘comprehensive’ delivery mechanisms – reflecting on New Towns / the role of Homes England in an English context / Land Value Capture / etc – to address market failure and delivery gaps, but not to replace innovative or normal private investment, including developer contributions
- Affordable Housing budget reductions and RPAs / HRA pressures / reprofiling because delivery pipeline uncertain
- Net zero more costly if done on site by site basis and overall, as solutions can’t be packaged and delivered to secure best value, innovation and sustainability
- Construction inflation and cost of borrowing is a significant challenge
- Labour and skills shortages is already challenging considering increasing demand from competing sectors. The requirement for green skills, sustainable construction techniques and the skills required for the retrofit and adaptation of existing housing stock means additional funding for skills provision is necessary to attract new talent to the sector to meet that demand



Aim

The aim is to **collaborate with Scottish and UK Governments** to support the delivery of places where people want to live and to enable major regeneration programmes, around 41,000 new homes, of which around 10,000 will be affordable, to create 8,000 jobs, and to deliver wider benefits including £30bn GVA.

Delivery of the strategic sites will help address inequality, child poverty, improve health and wellbeing and create sustainable mixed communities and successful places that enable effective transformation and a just transition to net zero while responding to the climate and nature emergencies. This will also allow us to retain, create and attract the high quality workforce we need in south east Scotland to deliver our shared economic ambitions, which can enhance prosperity and contribute to productivity of the wider national and UK economy.



Spending Objectives

- 1 To deliver focused public-sector led investment to enable our strategic sites, and unlock infrastructure first and service delivery solutions that will provide the long term clarity and certainty to:
 - i. enable and accelerate delivery, support scalability and innovation, address inequality and support economic transformation;
 - ii. attract and encourage wider private and third sector investment and financial innovation, ensuring public sector intervention supports this and does not replace normal funding and financial models, including developer contributions;
 - iii. enable the wider public sector to deliver a programme of modernisation, decarbonisation and integration of public services and assets, where appropriate on a shared basis;
 - iv. deliver more sustainable development and a more rapid just transition to net zero while responding to the climate and nature emergencies.



- 2 To use targeted public investment to unlock a viable, affordable, deliverable, acceptable and sustainable benefits realisation programme from the strategic sites, as well as a culture of partnership working between public, private and third sectors;

- 3 To achieve a better balance of access to employment, housing and other opportunities across the region, focusing investment, regeneration, renewal and benefits in areas where it is needed the most;

- 4 To increase the pace and scale of affordable housing delivery, and the delivery of housing of all types, sizes and tenues, to meet need and demand;

- 5 To create sustainable net zero mixed communities with a wellbeing economy, and with adequate revenue support to meet growing demand for modernised infrastructure, services and facilities.





Outcomes

1 Enable a well being economy, and more balanced sustainable development, equality and prosperity

To support the proper functioning of south east Scotland’s housing and labour market areas, as driver of the Scottish economy, by enabling delivery of new mixed communities, infrastructure, services and facilities at our strategic sites, including significant new affordable homes, to alleviate the national housing emergency and child poverty, and to enhance equality, productivity, prosperity and unlock wider strategic benefits and positive impacts at UK, national, regional and local level.

2 Create high quality mixed communities and places

To create high quality places which are destinations and attractors, not dormitory places, with a full range and choice of housing types, sizes and tenues, including specialist housing and housing for specific needs, as well as integrated public services, infrastructure and facilities. Provision will be made for climate adaptation and mitigation, nature recovery, nature-based solutions and for bio-diversity net gain, and to promote equality, community wealth building and a wellbeing economy.

3 Support quality job creation and more balanced distribution of higher employment densities

To ensure a more balanced distribution of employment density and opportunity across the region, close to where people live. To attract this, investment in new strategic transport and digital infrastructure and services will be needed to enhance the connectivity and attraction of strategic sites and neighbouring communities, and to improve workforce mobility. Links will be made to regional and local skills and training programmes, including sustainable construction, to ensure the workforce is ready for the jobs of the future. This will improve self-containment, sustainability and local access to fair work, and retain and attract a highly skilled workforce.

4 Facilitate modernisation, transformation and decarbonisation of public assets

To use the ‘Place Principle’ and delivery of ‘Infrastructure First’ at the strategic sites to enable wider modernisation, transformation and decarbonisation of public estates, assets and services, including digital delivery, and to reduce emissions and maximise climate adaptation and mitigation measures. This will also provide the clarity and certainty needed to align decisions and investments to deliver shared services and facilities that maximise efficiencies and effectiveness and provide value for money in the long term.

5 Find focused, comprehensive and cost effective enabling and supporting delivery solutions

To agree comprehensive delivery solutions that mitigate risk, that maximise the vision for place quality and value, that achieve economies of scale and value for money, and which are deliverable, viable, affordable, acceptable and sustainable over the short, medium and long term.

6. Strategic Sites Task Force

A Strategic Sites Task Force should be established by governments to oversee the delivery of the Strategic Sites Programme. The Task Force should comprise Scottish and UK Government civil servants as well as Ministerial and civil servant champions and include representatives from the Regional Partners as well as a representative for housebuilding interests.

The Task Force should be predicated on partnership working to deliver the strategic sites programme and ensure strategic alignment and collective action to unlock the delivery of our strategic sites. The purpose of the Strategic Sites Task Force will be to:

- **Aligning Business Needs** – to agree between the public, private and third sectors the main issues that require strategic alignment to deliver shared priorities and to maximise collective impact and unlock investment at pace and scale;

- **Aligning Service Requirements** – to agree specific delivery gaps that joint working must focus on to enable delivery and ensure clarity, certainty and efficiencies, economies of scale and value for money;
- **Aligning Organisational Priorities, Capabilities & Capacity** – to agree organisational responsibilities and priorities, and the scope, scale and duration of commitment needed from each party, including in terms of pooling knowledge, skills, experience and assets, and in terms of aligning decisions, actions, resources and adequate capital and revenue investment;
- **Aligning Business Strategy & Aims** – to target focused public-sector led investment to address delivery gaps in projects as a basis to leverage wider investment that can enable strategic transformation and a long term benefits realisation programme.

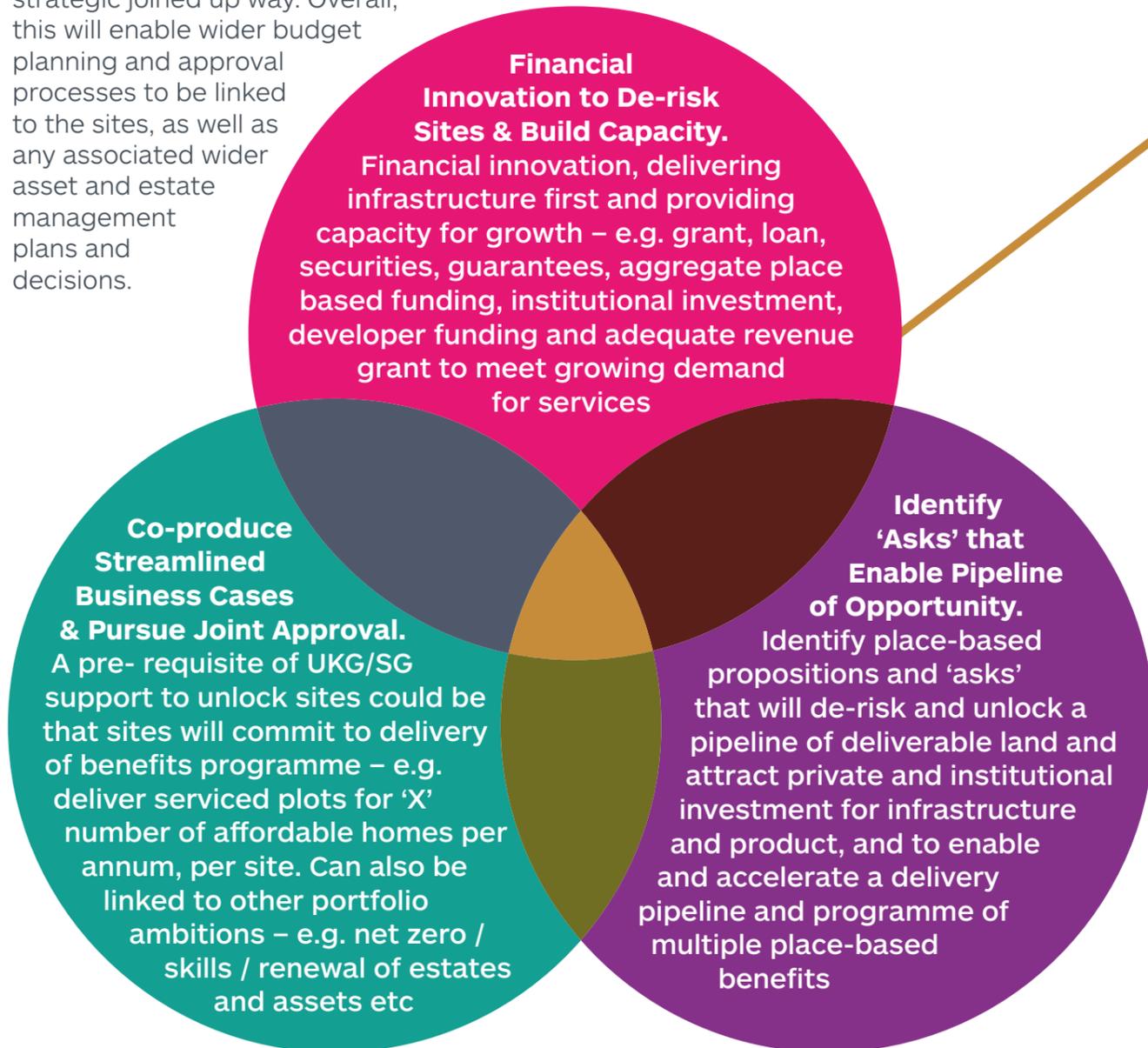
Underneath the Task force, there should be three key pillars of work to be overseen by it that will secure the necessary alignment:



The Strategic Sites Task Force should be supported by a Strategic Sites Delivery Group, which will identify specific delivery gaps in the projects, for which there will be a need to identify agreed solutions in business case development and approvals. This structure is illustrated in the organogram at Annex 2. The membership of each group will be identified by the Task Force.



Each business case approved by Scottish and UK Government will set out the agreed unlocking mechanisms and link the provision of their upfront public investment to the future delivery of agreed benefits and associated performance indicators from the delivery of the sites more widely. These measures may include, for example, delivery of an agreed number of serviced plots for affordable housing per annum, or transfer of serviced land for wider public infrastructure on an agreed timeline – e.g. enabled through an infrastructure first package – so delivery of public services and facilities can be planned in a more strategic joined up way. Overall, this will enable wider budget planning and approval processes to be linked to the sites, as well as any associated wider asset and estate management plans and decisions.



Business Need: Strategic Sites Task Force

A strategic partnership of public, private and third sector (SG/UKG/Regional Partners/investors/landowners/ developers etc) to identify, agree and align a programme of investment solutions for delivery of the strategic sites and their benefits realisation programmes – support for a delivery pipeline, including via adequate place-based capital and revenue funding allocations.

Service Requirement: Strategic Site Delivery Group

Place-based collaborative working to identify ‘unlocks’ for strategic sites, so funding and delivery of their interventions can be positioned in the overall strategic sites programme and linked to financial innovation and coordinated action. Leads will achieve this by working collaboratively with the Key Agencies and others and by coproduction of business cases with the Task Force to front load appraisal and timing of actions, led by de-risking, place-making and service solutions overtime.

Streamline Business Case Development

Business cases will identify the commitments needed to address delivery gaps and the interrelationships, dependencies and risks associated with enabling, supporting and sustaining the strategic sites and their benefits realisation programmes, which must as a minimum be:

- deliverable, viable, affordable, achievable and acceptable
- aligned to infrastructure investment and financial innovation
- perform to agreed phasing, timing, outputs and outcomes - e.g. provide infrastructure and serviced land as, where and when needed by service and infrastructure providers
- able to utilise funding allocations and attract investment
- deliver agreed wider programme of benefits realisation





The Place Principle

Scottish Government, COSLA and Local Authorities have adopted the Place Principle to overcome organisational and sectoral boundaries. This is to encourage better collaboration to improve collective impact and use of resources and investments. The Place Principle approach operating at programme level across portfolio's, agencies and other organisations will support the National Performance Framework and is essential to high quality place-making.

No one organisation oversees and co-ordinates the delivery of all place-based services, infrastructure and facilities, and the capital and revenue investments required to enable and support delivery at the scale of the strategic sites. Strategic deployment of the Place Principle within the Strategic Sites Programme will therefore be essential to find appropriate and joined up delivery solutions, as relevant to each stage of the process.

We must therefore work strategically and in an integrated way to assess the long term needs of our people and places, and to identify how best to deliver this at the strategic sites. Our anchor institutions will also have a central place-making role, and could play a key part in creating the jobs and vibrancy and vitality at the sites from the outset that can be a catalyst for wider economic activity and investment in our places.



The Place Principle

The Scottish and UK Government as well as national agencies, organisations and institutions will be instrumental to finding and investing in these solutions. The following organisations are central to the delivery of the Strategic Sites Programme, with the full scope of organisations and their involvement in each site to be collaboratively identified at project level:

- **UK Government:**
 - UK Infrastructure Bank
- **Scottish Government:**
 - Transport Scotland
 - National Health Service
 - Blue light services
 - Scottish Enterprise / SDI
 - Education Scotland
 - SportScotland
 - Scottish Water
 - Scottish Environmental Protection Agency
 - Nature.Scot
 - Historic Environment Scotland
- **Network Rail**
- **Public transport operators**
- **SEStran and SUStran**
- **Service and utility providers**
- **Scottish National Investment Bank / Institutional Investors**
- **Scottish Futures Trust**
- **HE/FE sector / SDS**
- **Landowners and developers**





Partnership & Governance

All the strategic sites are different, and each is at a different stage. Some sites have benefitted from initial government support and are now underway, some are committed or have started but delivery gaps to on-going delivery exist; others are planned or identified as ambitions that can only be endorsed subject to approval of business cases by Scottish and UK Governments.

In some cases, to achieve the required outcome, comprehensive shared infrastructure first delivery solutions that enable, de-risk and accelerate sites in their entirety will be required. In other cases, enabling tranche delivery with infrastructure on a phased basis may deliver the right outcome overtime. A common factor among the sites is they all require strategic unlocking solutions to be confirmed by Scottish and UK Government, including capital and revenue financial solutions. In many cases, confirmation of such support is required before Local Authorities can allow the sites to progress to any next stage.

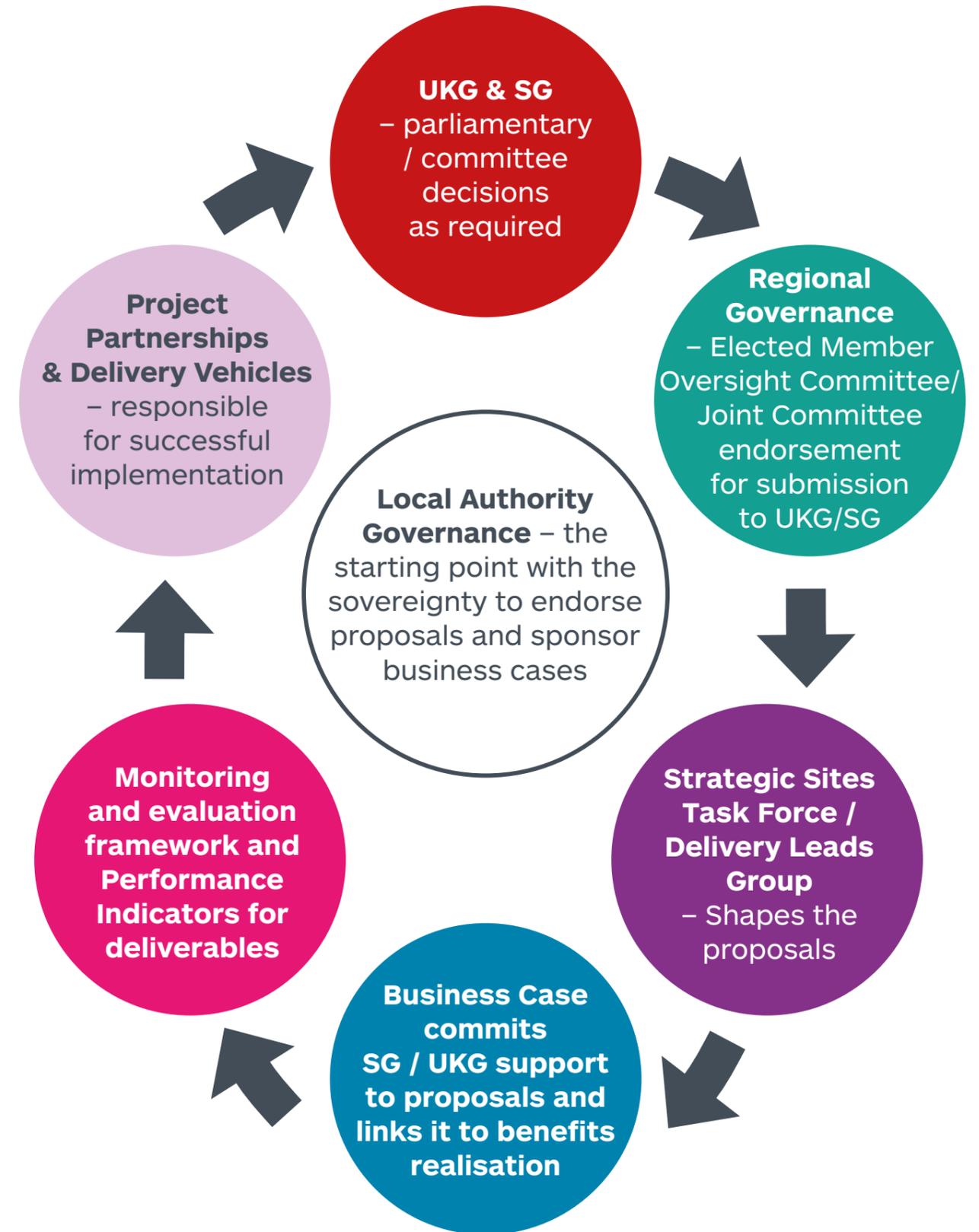
Each site has its own ownership, commercial, financial, and management arrangements that are either in place or that will require to be identified when the availability and nature of Scottish and UK Government support is clearer. Each site will also require its own strategic partnership, governance and delivery arrangements to be agreed in business case development in that context too, supported by the behaviours and values that will be central to nurturing a successful culture of partnerships and collaborative working.

Critically, an understanding of the scale, nature and duration of support from government, including in capital and revenue terms, is also needed to bring clarity to shape proposals; importantly, this will also determine if they can be made acceptable to, and can be endorsed by, Local Authorities. The aim of the Task Force and Delivery Leads Group would be to streamline and front load solutions.

These matters can be shaped during collaborative business case development, to ensure projects are viable and deliverable to the supply side, and affordable and acceptable to the public sector and local authorities that may endorse them and sponsor their business cases.

Local authorities will therefore be the gateway to the governance pathway. They will decide if proposals and their accompanying business cases can be sponsored to progress through the Regional Partnership for submission to Scottish and UK Government for their consideration and decisions.

In that context, government approval of the Outline Business Case Stage in respect of each strategic site will be essential for Local Authorities to consider allowing the sites to take their next step within relevant local authority plans and strategies; that is the point at which 'in principle' support from government for the necessary delivery solution to enable sponsored schemes need be confirmed, to frame next steps.





Funding & Financial Innovation

The capital and revenue implications of delivering the strategic sites must be addressed in collaboration with Scottish and UK Government so their delivery can be progressed. A range of funding and / or financial support and innovation mechanisms will be required to unlock them.

Regional Partners welcome that this work is set out in the Scottish Government's Programme for Government, and note the close alignment with UK Government ambitions to boost housing and infrastructure delivery too. The work will require that provisions within the Deal be coordinated with wider Scottish and UK Government policy and portfolio investment opportunities, and for these to be aligned and coordinated to deliver in a place based way. In some cases, fresh thinking, creative ideas and new funding and investment

models will be needed to overcome delivery gaps. Long term commitment from Scottish and UK Government will be needed to support this programme, considering the scale and duration of delivery and benefits realisation from the sites.

Delivery solutions will include the need for direct targeted public sector investment to deliver 'infrastructure first' to de-risk and enable sites, or to address market failure, deliver externalities or items that the market cannot deliver acting alone. In doing so this will enable wider private investment and public benefits to be realised. The scope, scale and duration of government support needed for each site will be set during the respective business case development process, when it can be identified in detail.

Overall, however, direct capital and revenue unlocking requirements that will require government support include the need for:

Strategic transport capacity, and other utilities, services, infrastructure and facilities

Education, community, health care and blue light services, facilities and infrastructure

Land remediation and reuse, and site enabling works for previously developed sites and buildings

Restoration of previously developed land, structures and buildings for positive future uses

Net zero energy and heat infrastructure solutions

Revenue support to provide capacity for growth

Multidisciplinary technical working and solution finding

Collective working between Regional Partners, Scottish and UK Governments and the private sector and others as relevant will be essential to secure the alignment that will be needed to identify, agree and deliver shared solutions.

Funding & Financial Innovation

Collaborative working with both governments will start by identifying the financial innovation 'tool kit' as applicable to the delivery gap of each strategic site. Examples of current capital and revenue financial innovation mechanisms that may be applicable are set out below:

- The Deal commitments in terms of capital grant funding and exploration of wider financial innovation opportunities and:
 - Access to capital grant monies identified beyond the current Deal programme in other policy or portfolio areas (e.g. vacant and derelict land, transport, education and net zero, and place-based aggregate investment etc) linked and aligned to create place-based, rather than thematic approaches, to support delivery mechanisms for specific strategic sites;
- Using anticipated growth in the tax base at government level to support borrowing to address any initial funding gaps, which is repaid from taxation income generated by the development via annual outcome-based revenue grants;
- Outcome based funding models – e.g. Tax Increment Financing / Growth Accelerator Models;
- Risk Sharing Mechanisms – e.g. Securities / Guarantees / 'The Winchburgh Approach';
- User Funding – e.g. Regulated Assets / Concession Arrangements / Mutual Investments;
- Institutional Investment & Finance – e.g. Infrastructure Funds / UK Investment Bank / Public Works Loan Board / Scottish National Investment Bank;
- Partnership Approaches – e.g. Joint Ventures / ESCOs / government or bank investment;
- Land & Surplus Estate – e.g. Sales / receipts / re-provide / re-purpose / re-use / convert;

- Land value uplift – Infrastructure levy / developer contributions etc; and
- Revenue for Services – A 'New Homes Bonus' type approach.

An early task will be to identify common issues and requirements to de-risk and enable the sites and to investigate scalable and replicable approaches that can be combined in different ways. Once the 'Business as Usual' toolbox has been explored, there may be a need to consider any remaining delivery gaps and the need and scope for further support measures to be identified and deployed.

Overall, this will require collaborative working to collectively decide what may be possible, applied and / or to develop potential new approaches that can be deployed to ensure the sites are viable, deliverable, affordable, acceptable and sustainable. Live case studies are set out at Annex 1, addressing scenarios where there may be viability gaps, cash flow issues and approaches to address the need for additional revenue support for service delivery.





7. When is Action Required?

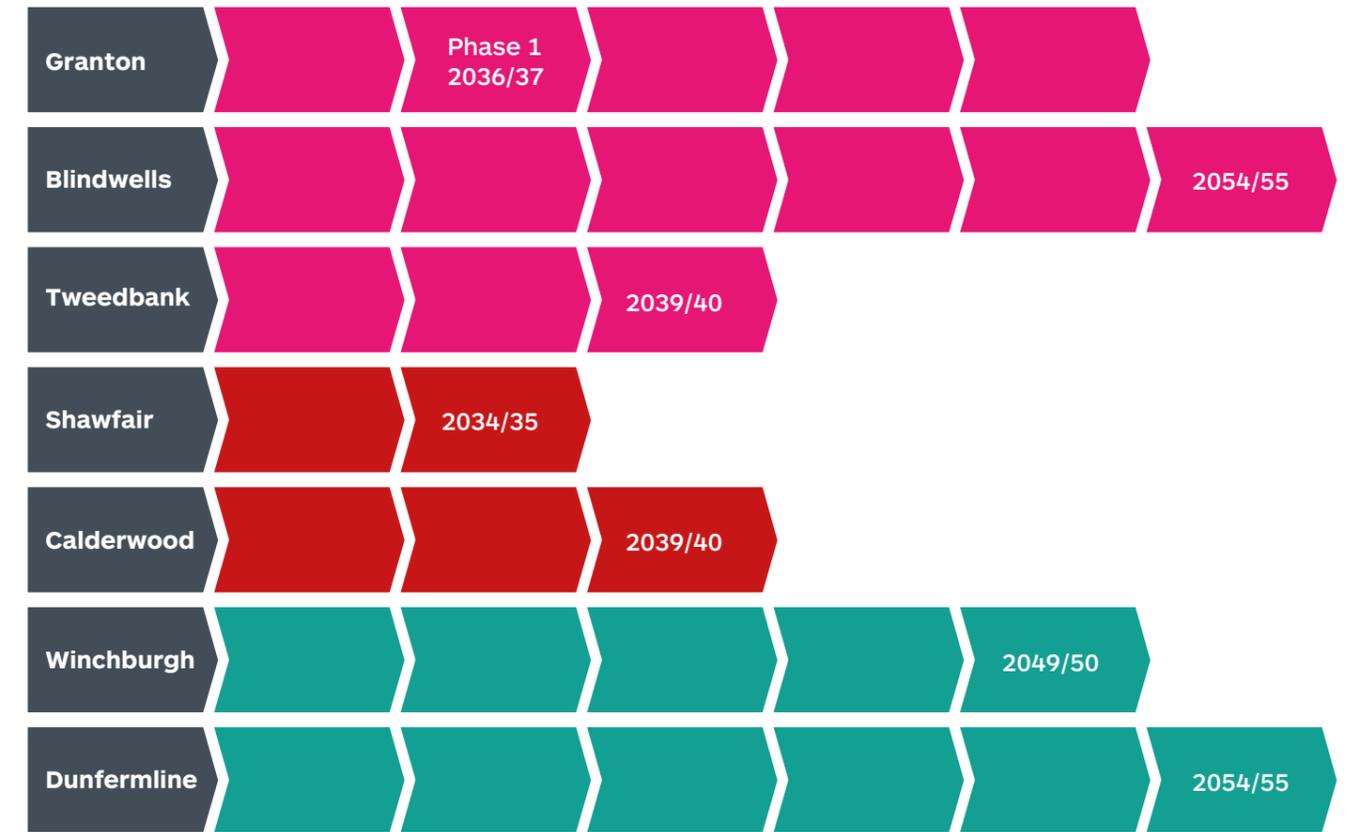
Our programme of business case development currently prioritises three business cases, which are under active development, and which are targeted for consideration in 2024/25. These are summarised below:

Strategic Site	Business Case Status / Stage / Target	Requirements
Granton Waterfront	Full Business Case – Phase 1 and Heat Network – Spring 2025	Land remediation Placemaking Affordable homes Net Zero
Tweedbank	Full Business Case – Summer 2025	
Blindwells	Strategic Outline Case – Winter 2024 Outline Business Case – 2025	Land Remediation Strategic Transport Education Net Zero Revenue
Shawfair		Education
Dunfermline		Education and Transport
Calderwood		Education
Winchburgh		Rail Station

The potential for on-going growth means that other strategic sites may need to come into the Strategic Sites Programme in future, if they form part of our regional ambitions or development plan spatial strategies.



Strategic Sites Delivery Programme





Delivery Gaps & Next Steps

Personnel Resources

Regional Partners have developed this programme with input from Scottish Government on the basis it will be presented to Ministers for their views. We welcome that it is also set out in the Scottish Government's Programme for Government, and note the close alignment with UK Government ambitions to boost housing and infrastructure delivery too. We want to work collaboratively with both Scottish and UK Government to deliver this Strategic Sites Programme (SSiP).

However, to implement the ambitions set out within the SSiP a dedicated resource will require to be identified to drive the programme forward and to co-ordinate the work of any Strategic Sites Task Force, Strategic Site Leads Group and Delivery Group towards agreed solutions.

This resource currently sits outside the capacity of Regional Partners and the Scottish and UK Government. Regional Partners would welcome on-going discussion with Scottish and UK Government on how that personnel resource can be identified between the parties.

Capital & Revenue Delivery Gaps

Regional Partners have stood up the Strategic Sites Leads and they are engaging with Key Agencies and others to identify the delivery gaps associated with each of the strategic sites in both capital and revenue terms.

Annex 1

Innovation in Action – Granton Waterfront a Regional Case Study

On Phase 1 of Granton Waterfront Regeneration, the City of Edinburgh Council recognises that while there is a large up front funding gap, the development itself will generate significant financial benefits in the longer term. There will be growth in the Council Tax base as well as additional LBTT, NDR and employment taxes at government level.

- A funding model is being developed with Scottish Government officials which seeks to use prudential borrowing to address the initial funding gap, which is repaid from taxation income generated by the development as well as wider resources available to the Council. Under this model additional Council Tax income generated from the development is being combined with some of Edinburgh's retained NDR revenue from the Forth Green Free Port to support repayment of borrowing.
- An initial government ask of c£70m has been reduced to:
 - a £15m call on the Strategic Sites investment funding identified within the City Region Deal, where the Scottish Government committed to at least £50m of funding to support delivery of strategic sites across the region; and
 - an annual outcome-based revenue grant of c£2m per annum over a 20-year period paid for by additional tax generation.



Granton Waterfront

© Aerial Photography Solutions





Innovation in Action – Winchburgh a Regional Case Study

Background

- The site had been identified in the development plan for some years prior to planning consent being granted in 2012. However, that planning consent limited the number of houses which could be occupied prior to funding to deliver the new secondary school infrastructure, which was required to support 3,450 houses, being fully committed.
- The lead developer was committed to fully funding the secondary schools but could not do so at this early stage of the development. This was essentially a cash flow issue for the developer but a failure to secure an agreement to delivery of the infrastructure would have resulted in the development stalling.
- The developer was committed to funding the non-denominational secondary school infrastructure together with making contributions to the provision of the new denominational secondary school but needed to do so over the life of the development rather than as a single contribution at an early stage of the development. The City Region Deal afforded the opportunity to take a different approach based on risk sharing and the provision of underwriting and guarantees.
- The council indicated that it was prepared to forward fund the secondary school infrastructure provided guarantees were put in place to ensure that the council could service the debt each year over the lifetime of the borrowing.

Solution

- A Tripartite Agreement with the lead developer, the Scottish Government and the Council was put in place to share the risk and provide the necessary guarantees. The agreement provided the necessary reassurance for the council to forward fund both the denominational and non-denominational schools. It was the risk sharing agreement which allowed the



Winchburgh, West Lothian

Photo: Gary Baker Photography

- development to progress. Over 1,000 houses have now been occupied.
- The Tripartite Agreement was signed prior to the pandemic and despite the challenges that this, and subsequent financial volatility created, the council has continued to secure the necessary financial contributions each year. Indeed, despite these challenges, contributions are ahead of the assumed financial profile. The debt is being reduced on an annual basis meaning that any call on the Scottish Government guarantee is lower than the maximum risk at the time of signing the agreement.

Outcome

- Progressing the development at Winchburgh has wider economic and environmental benefits than simply the provision of new schools and 3,450 new houses. The development has also delivered a new denominational primary school with a new non-denominational primary school under construction, delivered a new sports hub with community access, allowed the remediation of a land fill site, delivered a new motorway junction on the M9 and a new marina on the Forth and Clyde Canal. The new denominational secondary school also removed a constraint on housing development which applied across the whole of West Lothian. This would not have been delivered without the innovative risk sharing approach with Scottish Government.

Requirement for Innovation – Revenue Funding

Background

- As the fastest growing region in Scotland, the scale of housing growth in Edinburgh and South East Scotland creates significant revenue budget challenges for the region's local authorities, including higher school rolls, more domestic waste collections and maintenance of newly adopted roads, parks and street lighting. The impact is felt more acutely in smaller authorities where increases in housing is proportionally greater.
- While these costs are partially offset by additional Council-tax revenue, and increased general revenue grant from Scottish Government, there remains a significant budget pressure. This can be exacerbated in the short-term by the lag between housing growth taking place and the necessary data becoming available to update the local government formula.
- It is recognised, however, that local government funding is limited and we cannot solve the problems by seeking to divert resources from other Councils. A more innovative approach is required.

Capturing the Benefits of Economic Growth

- As set out in the deal document, housing development is key to unlocking the region's economic potential, generating additional tax receipts for both Scottish and UK governments. Collectively, in delivering over 41,000 new homes across the strategic sites, over £30bn Gross Value Added will be generated. We would like to explore mechanisms whereby some of these receipts can be returned to the region to offset the impact of housing growth.



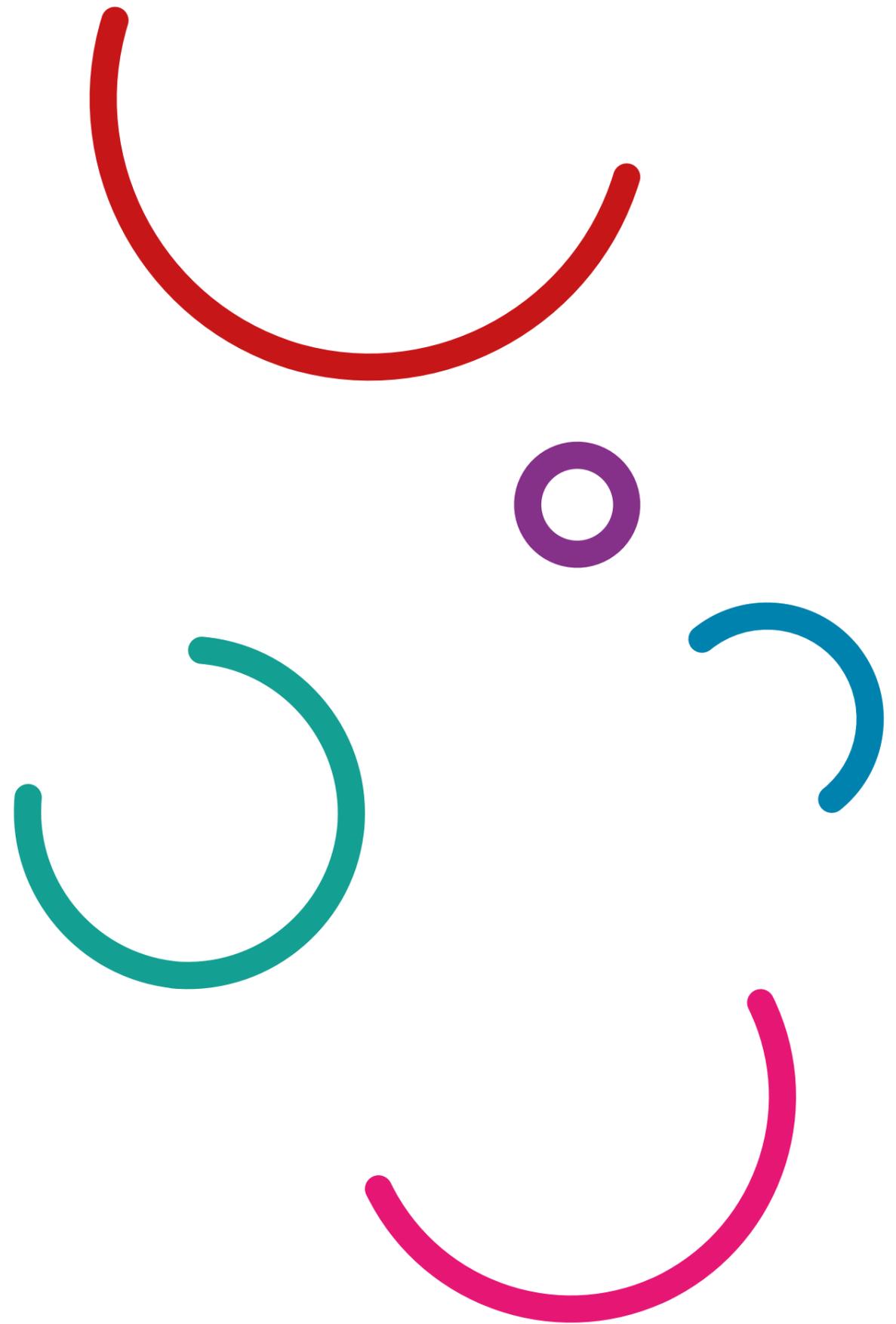
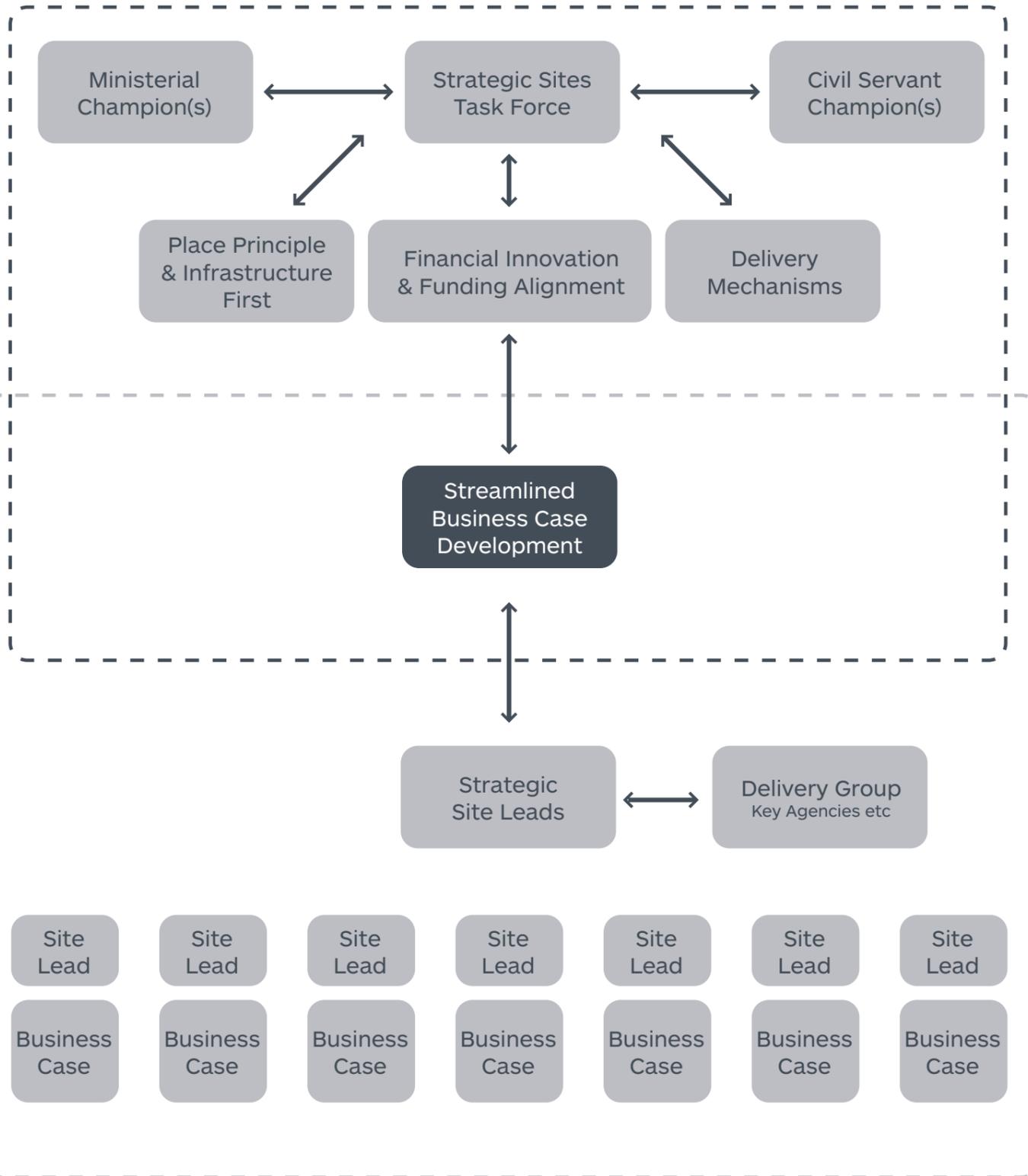
Blindwells New Settlement, East Lothian

A New Homes Bonus for Scotland

- A scheme similar to England's New Homes Bonus would help address some of the revenue challenges. It provides incentives to increase house stock encompassing new build, conversions, and long-term empty properties bought back into effective use. Payments for each eligible property are paid for six years and are calculated per home in terms of the national average Council Tax Band for that home. A flat rate of £350 per year is also paid for each affordable home delivered.

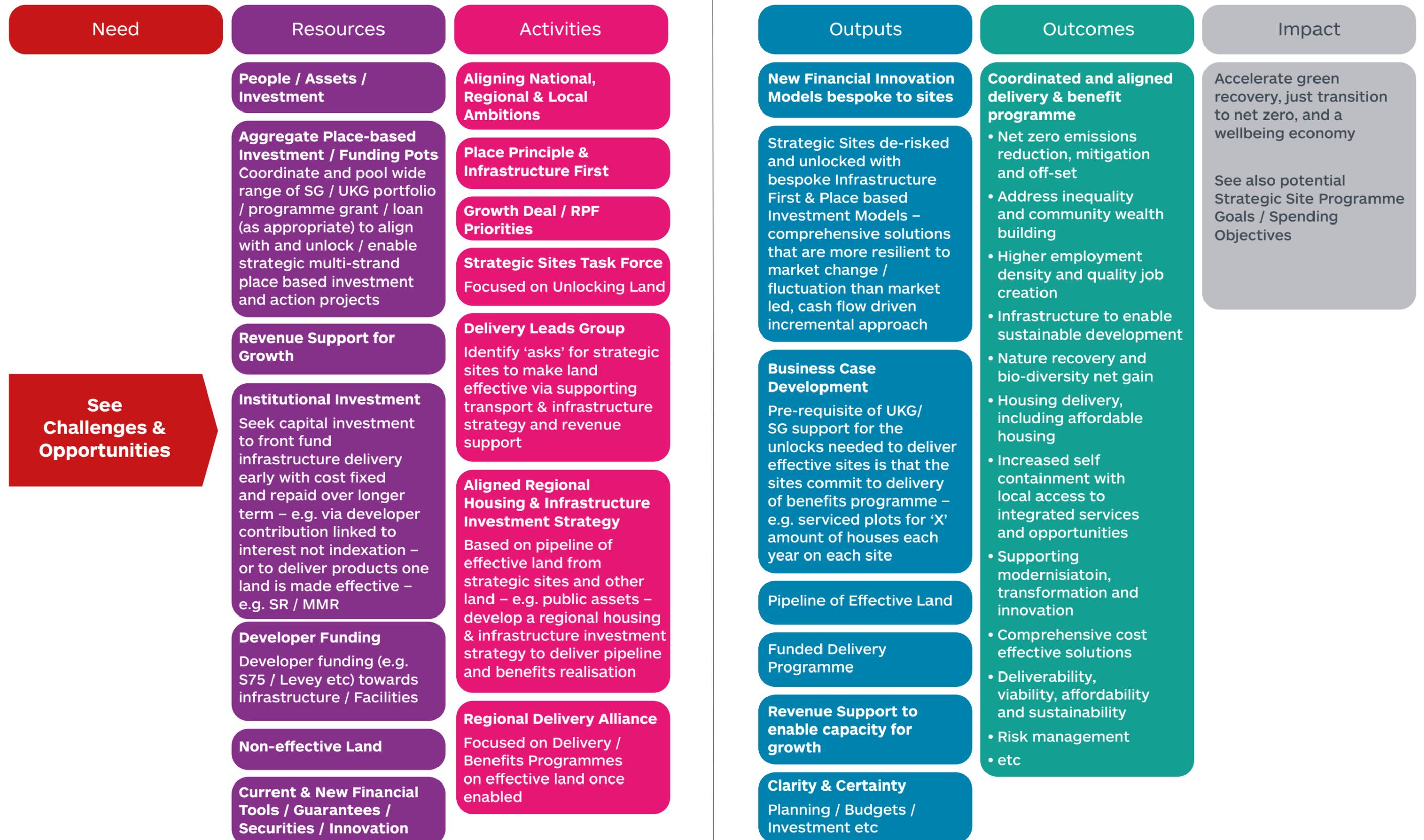


Initial Organogram





Initial Logic Model





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REPORT TO: East Lothian Council
MEETING DATE: 10 December 2024
BY: Executive Director for Place
SUBJECT: Update on North Berwick Traffic Regulation

6

1 PURPOSE

- 1.1 The purpose of this report is to provide an update on the proposed Traffic Regulation Orders (TROs) for the introduction of both on- and off-street parking restrictions and charging in North Berwick.

2 RECOMMENDATIONS

2.1 Council is recommended to:

- Note the objections received.
- Note the responses to the objection.
- Approve additional mitigations of the TROs following further representation and community concerns for the reasons detailed in 3.31 to 3.42
- Set aside the remaining objections as detailed in Appendices C-F
- Not to seek the holding of a public hearing by the Department of Environment and Planning Appeals;
- Approve the making of the TROs as advertised for:
 - North Berwick – Off street parking places order No. 1
 - North Berwick – Haugh Road and Sewage Works off street parking places order No. 2
 - North Berwick – Community Centre & Library parking places order No. 3
 - Various Roads – North Berwick – Prohibition & Restriction on waiting loading and unloading etc. Order No. 4

3 BACKGROUND

- 3.1 The Council published The East Lothian Council (Various Roads – North Berwick) (Prohibition & Restrictions on Waiting, Loading & Unloading, Etc.) Variation Order No. 2 on 28 August 2023. The order was subsequently withdrawn on 27 February 2024 to redesign and simplify the process by the provision of four new Orders, that draws distinction between on-street and off-street parking, motorhome, library, and community centre parking.
- 3.2 Following the withdrawal of the order a review of representations was undertaken and additional issues around parking were considered which included the car parks at Haugh Road and Sewage Works and the Library and Community Centre.
- 3.3 The proposals as advertised last year have been split into two orders, one for on-street parking and one for off-street car parks. The orders include modifications as a result of feed back to the Variation Order No. 2 advertised in 2023. Further to the feedback, two additional orders have been advertised one for the Haugh Road and the Sewage Works car parks and a further order for the car parks of the Library and Community centre.
- 3.4 Four new orders were prepared taking cognisance of the previous Order and published split between on and off-street parking: These are:
- North Berwick – Off street parking places order No. 1
 - North Berwick – Haugh Road and Sewage Works off street parking places order No. 2
 - North Berwick – Community Centre & Library parking places order No. 3
 - Various Roads – North Berwick - Prohibition & Restriction on waiting loading and unloading etc. Order No. 4
- 3.5 Consultation with statutory consultees took place between 17 July and 11 August. Details of the four proposed orders were sent out to: Royal Mail, local bus operators, Freight Transport Association (FTA), Road Haulage Association (RHA), NHS, Fire Scotland, Police Scotland and ScotRail. No comments were received back from the statutory consultees.
- 3.6 The four traffic orders were published on Friday 23 August 2024 with supporting documentation comprising of a statement of reasons for each order, draft traffic orders, frequently asked questions and 'you said, we did' document.
- 3.7 Following the go live of the web-based element of the public consultation, it was noted that the schedule relating to the No. 4 order, on street parking had been omitted from the website. This was subsequently uploaded and available to view on Wednesday 28 August 2024.
- 3.8 The formal deposit copies of the order provided where provided at:
- Reception, John Muir House, Brewery Park, Haddington

- North Berwick Community Centre – Law Road
- North Berwick Library – School Road
- North Berwick Health Centre – St Baldred’s Road
- Gullane Library – East Links Road
- Gullane Health Centre – Hamilton Road

The deposit copies comprised of printed documents for review and contained the schedule to the No. 4 order which was initially omitted from the online material.

Consultation Requirements

- 3.9 The statutory requirement for the consultation is 21 days, the advertised period for consultation for the North Berwick orders is promoted as being between 23 August 2024 and 29 September 2024, a period of 37 days. The omitted schedule from the online consultation was available for 32 days.
- 3.10 The statutory and public consultation has followed the guidelines outlined in the “The Local Authorities’ Traffic Orders (Procedure) (Scotland) Regulations 1999”, copies of the following documents were placed on deposit for inspection:
- a) a copy of the order as drafted.
 - b) a copy of the relevant map;
 - c) a statement setting out the authority’s reasons for proposing to make the order

Responses to Consultation

- 3.11 The four draft Traffic Regulation Orders have generated 833 recorded responses from 586 respondents. A summary and analysis of the responses to each order are shown in Appendix B.
- 3.12 There are a number of responses which do not specify to which order they relate, and these are also summarised in appendix B.
- 3.13 Through representations it has been highlighted that there was a campaign against the scheme, door-to-door leafleting, political opposition to the scheme and awareness that there have also been extensive social media posts encouraging objection to the scheme.
- 3.14 The responses received can be broken down into the following groups:
- North Berwick – Off street parking places order No. 1: 149 representations with 146 objections of which 4 are not qualified.
 - North Berwick – Haugh Road and Sewage Works off street parking places order No. 2: 86 representations with 84 objections of which 3 are not qualified.

- North Berwick – Community Centre & Library parking places order No. 3: 72 representations with 67 objections of which 4 are not qualified. Of the representations, 15 related to the use of the car park by the church and 47 of the objections related to all 4 advertised traffic orders.
- Various Roads – North Berwick - Prohibition & Restriction on waiting loading and unloading etc. Order No. 4: 338 representations with 319 objections of which 9 were not qualified.
- Responses not specifying related order – 190 representations with 153 objections of which 25 were not qualified and 22 requests for clarifications and additional information.

Authorities Obligations

- 3.15 The process for progressing a traffic order is outlined in the “The Local Authorities’ Traffic Orders (Procedure) (Scotland) Regulations 1999”. The procedures require that, where an objection is made, there should be a written statement of grounds for that objection. The procedure also contains a requirement to consider objections which have been made and not withdrawn or, where a hearing has taken place, the authority shall consider the report and recommendation made by the Reporter.
- 3.16 The key point in respect of objections is that they must be properly considered and, in the case of a hearing, the report and recommendations, also need to be considered. There is no specific obligation not to proceed with a scheme if there are unresolved objections, as long as the authority has properly and fully considered the objections.
- 3.17 Key to delivering a successful outcome is the full and thorough consideration of constructive representation. Where appropriate, mitigation can be proposed to address the objectors’ concerns. In order to achieve this, the Council must enter into constructive and meaningful dialogue with interested parties and take into consideration any suggestion that can be included in the proposal which is aligned with achieved the desired outcomes.
- 3.18 All correspondence received has been logged, reviewed and a response provided. The withdrawal of objections has not been actively pursued although requested as part of each response, as in most cases these are general objections with no clear grounds or are against the principals of the Parking Strategy. The Parking Strategy is Council policy and not under review. All correspondence is available for review on request.
- 3.19 There is no requirement to provide information as to the age or gender of the person making representations to traffic orders. This information is therefore not recorded.
- 3.20 This issue around objections raises a key point as to what could be reasonable considered as an objection to a traffic order. In most cases traffic orders preventing parking or restricting waiting, loading or unloading are promoted on the basis of preventing danger to road users. These Orders are promoted on safety grounds and are based on engineering

judgement and do not need to be supported by a Parking Strategy. The Parking Strategy is supplementary guidance and sets out a series of policies that the Council may pursue. The General Provisions necessary in making a Traffic Regulation Order are set out under section 1 of Road Traffic Regulation Act 1984.

- 3.21 A significant number of objections are based on the proposals being interpreted as not meeting the policies set out in the strategy and the fact that the supporting survey work was not sufficient to demonstrate the need for the scheme particularly in reference to the No. 1 and No. 4 orders. These representations challenge the validity of the Parking Strategy (which has already been through a process of consultation) and to the extent to which the strategy it is needed, and whether the proposals meet the policies within the parking strategy.
- 3.22 There is no published guidance on what constitutes a valid objection. It is a matter for the Authority to consider, how parking proposals relate to policy, the extent and the need or impacts of an order and whether these meet the adopted policy tests.
- 3.23 Under the terms of the Local Authorities' Traffic Orders (Procedures) (Scotland) Regulations 1999 as amended, the authority may hold a hearing. In the case of North Berwick, the Council is not obliged to hold a hearing. This is a decision for Council to instruct a hearing if considered appropriate, in consideration of the weight and claims made from objections received.

Summary of Received Objections

- 3.24 A summary of the objections and comments received are provided in Appendix B of this report, in addition maps showing the origin by post code of the representation for each order is provided in Appendix B.
- 3.25 The main themes identified within the objections are summarised below:
- Request for information/clarification
 - General approval for the scheme
 - General opposition to the scheme
 - Parking charges will harm local businesses
 - Scheme excessive parking is an issue only during specific periods
 - Cost of scheme is not justifiable
 - Call for consultation to be extended/repeated
 - Scheme will displace parking
 - Scheme fails to address issues with motor caravans
 - Scheme proposes unsafe parking arrangements

- Proposals unfair to residents
 - Older less able-bodied residents will be disadvantaged
- 3.26 A significant number of objections are based on the perceived impact the proposals would have on third parties; the objector is speculating on what the impact will be on other groups in the community and not how the scheme would directly impact themselves.
- 3.27 Common themes are:
- Impact on low-income staff
 - Personal security returning to parked vehicles with shop takings at night
 - The impact on business/shops in the town
 - Residents have limited access to off-street parking

Details of Representations, Objections and Recommendations to Further Mitigate the Orders

- 3.28 Full details of all representations/objections received are contained in Appendix C - General Representations, Appendix D – Representation made Order No. 1, Appendix E – Representation made Order No. 2, Appendix F – Representation made Order No. 3, Appendix G – Representation made Order No. 4.
- 3.29 The following is a summary of further mitigation that is recommended to Council following public representation and consideration.
- 3.30 **The East Lothian Council (North Berwick) (Off-Street Parking Places) Order No. 1**
- 3.31 D5. Recommendation – to allow 15 minutes free parking within Glebe car park to allow drop off and pick up at the nursery on St Andrews Street.
- 3.32 D7. Recommendation – allow free parking in Lodge and Imperial and Glebe car park from the last Sunday in October to the last Sunday in March.
- 3.33 **The East Lothian Council (North Berwick) (Community Centre & Library Parking Places) Order No. 3**
- 3.34 E3. Recommendation – to allow additional authorised vehicles associated with church worship.
- 3.35 **The East Lothian Council (Various Roads – North Berwick) (Prohibition & Restriction on Waiting, Loading & Unloading. Etc.), Order No. 4**
- 3.36 G7. Recommendation – monitor and review the impact that the different length of stay between off and on-street parking has on parking.

- 3.37 G8. Recommendation – monitor and inspect the local road network to identify problems and mitigations as a result of parking displacement.
- 3.38 G9. Recommendation – remove clause on Order No. 4 specific to washing of vehicles.
- 3.39 G10. Recommendation – remove the proposal to introduce charged parking spaces and waiting, loading and unloading in Glasclune Gardens, and Greenhead Road.
- 3.40 G20. Recommendation – apply level 2 parking charges to Westgate in keeping with the High Street.
- 3.41 G21. Recommendation – extend High Street non-chargeable hours from 10.00–4.00pm Monday to Saturday.
- 3.42 G22. Recommendation – permit owners of motor caravans residing within a CPZ to have a residents parking permit.

4 POLICY IMPLICATIONS

- 4.1 The proposals have multiple policy implication across many national, regional and local themes. Appendix A: Policy and Legislative Context provides further detail of these matters.

5 INTEGRATED IMPACT ASSESSMENT

- 5.1 The original Integrated Impact Report has been revised to reflect the changes proposed under the new schemes proposals.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – All costs involved in connection with consultation, advertising, design and implementation associated with the making of these 4 Orders can be accommodated within the agreed budgets.
- 6.2 Personnel – The introduction of the parking scheme will not require any additional back-room staff. The scheme has been promoted on the understanding that the scheme will generate income for additional Parking Enforcement Officers.
- 6.3 A financial business case for the operation of the schemes is provided in Appendix J. The annual predicted cost of operating the scheme £227,079. The annual income is forecast to be £1,342,927 (gross).

7 BACKGROUND PAPERS

- 7.1 Report to Council on 25 April 2023 – Town Centre Parking Management: Introduction of Parking Management Proposals in North Berwick

- 7.2 Report to East Lothian Council on Tuesday 28th June 2022 – Town Centre Parking Management: Consultation
- 7.3 Members’ Library Report – Economic Impact Assessment Report (Ref: 34/23, April 2023 Bulletin)
- 7.4 Members’ Library Report – Consultation Report (Ref: 35/23, April 2023 Bulletin)
- 7.5 Integrated Impact Assessment
- 7.6 Report to East Lothian Council on Tuesday 30th October 2018 – East Lothian Council Proposed Local Transport Strategy
- 7.7 East Lothian Council Proposed Local Transport Strategy 2018-24 – Draft Parking Strategy, Members’ Library Ref: 142/18 (October 2018 Bulletin)
- 7.8 East Lothian Council Proposed Local Transport Strategy 2018-24 – Draft Active Travel Improvement Plan, Members’ Library Ref: 141/18 (October 2018 Bulletin)
- 7.9 Policy and Performance Review Committee – 04 Roads Asset Management – Annual Status and Options Report
- 7.10 Report to East Lothian Council on Tuesday 25 April 2023 - Town Centre Parking Management: Introduction of Parking Management Proposals in North Berwick
- 7.11 Report to East Lothian Council on Tuesday 27 February 2024 – Update on Parking Management Traffic Regulation Order North Berwick
- 7.12 Members’ Library Report – East Lothian by Numbers: Travel and Transport (Ref: 152/24, November 2024 Bulletin):

https://www.eastlothian.gov.uk/meetings/meeting/17407/members_library_service

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DATE	25 November 2025

Appendix A – Policy and Legislative Context

A1. The policy context at a national, regional and local level supports a move to increase existing and to implement new parking demand management processes across the county.

A2. At a national level the development and publication of the National Transport Strategy (NTS), National Planning Framework (NPF4) and the Scottish Transport Projects Review (STPR2) all support moving towards more sustainable town centres. The NTS vision is that ‘we will have a sustainable, inclusive, safe and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors’.

A3. The national strategy outlines how the ‘the benefits of place-making and sustainable and active travel infrastructure/modes will also play an important role in helping to re-vitalise town centres’.

A4. At its meeting on 29 March 2022 Council was asked to approve the outline of the 2022–2027 Council Plan. The 2017–2022 Council Plan set out the vision of ‘an even more prosperous, safe and sustainable East Lothian, with a dynamic and thriving economy, that enables our people and communities to flourish’.

A5. New and increased management of parking across the county supports the overarching objective of reducing inequalities within and across our communities, and with the development of the four thematic objectives: Growing our Economy, Growing our People, Growing our Communities and Growing our Capacity.

A6. East Lothian’s Climate Change Strategy was adopted in 2020 in response to the climate emergency. The strategy has a significant emphasis on the need to manage journeys made by the private car across the county.

A7. East Lothian Council – Local Transport Strategy (2018–2024). In 2018, East Lothian Council published a Local Transport Strategy sets out the challenges that town centres within East Lothian, particularly in the town of North Berwick, have been facing in the context of the wider transport network. Accessing town centres and the management of parking is a key challenge articulated throughout the strategy document.

A8. East Lothian Council – Local Parking Strategy (2018–2024). There are a number of actions set out within the strategy to achieve many objectives when it comes to managing parking including that East Lothian Council will implement a parking management hierarchy in towns. The parking management hierarchy model states that ‘in general, on-street parking will be for the purposes of short- stay parking, especially in our town centres, as it is essential that people have easy access to shops and services to maintain the economic vitality of our towns. Medium and long-stay parking will be accommodated in off-street car parks but these are more likely to be at the edge of the town centre.’

A9. This proposal will contribute towards fulfilling the Local Parking Strategy 2018 -2024

- Objective 1 – to provide balanced and appropriate parking facilities that support the economic, environmental and accessibility requirements of towns in East Lothian.
- Objective 2 – to maximise the efficient use of parking provision.
- Parking Policy 5 – The council will assess the demand on town centre parking supply and appraise, where appropriate the introduction of charging for off street car parks and/or for on-street parking places. The introduction of restrictions and charging has the potential to boost the financial viability and community/business prosperity on an area by increasing turnover. All parking regimes would require annual monitoring.

A10. The Council's Local Economy Strategy 2024 to 2034 was approved in April 2024. Consultation and analysis identified a number of issues facing town centres in East Lothian, stakeholders and community members reported that a limited availability and low turnover of town-centre parking spaces, competition from edge-of town retail developments, competition from Edinburgh, and changes in shopping habits have all deterred some residents from using their town centres. However, increased home working is driving increased demand for town centre service businesses and leisure opportunities. It was also argued that narrow pavements and conflicts with traffic can make town centres feel inaccessible and unsafe for older people, those with physical impairments, and pram and buggy users. Particular local challenges were identified in North Berwick and Tranent where town centre congestion and parking was highlighted as an issue with implications for locals, visitor experiences, and public safety. Greater turnover of town centre parking to improve capacity was highlighted as a need. The Strategy highlights the distinctiveness of East Lothian's towns and villages as a key attribute of the area and includes actions to support thriving and district communities, vibrant town and rural centres. A key area where the Council can intervene is to improve safe and sustainable access for all users.

A11. Further, the proposals contribute to the Economic Development Strategy by offering 'the potential for increasing resident spend by improving town centres in East Lothian'. With short-stay parking freeing up spaces close to shops, residents would be able to quickly access shops and services, thereby supporting local and independent shops within North Berwick.

A12. East Lothian Council – Town Centre Strategies (2017–2022). Town Centre Strategies have been prepared for each of the 6 main settlements in East Lothian. The purpose of the town centre strategies is to adopt a strategic approach to guide the improvement of town centres.

A13. The vision for North Berwick town centre as articulated is 'North Berwick town centre is a vibrant heart of the town with an excellent and well used

shopping and café scene. Improvement and enhancement of the town centre seeks to create a greater sense of place for all its users. The town centre is a favourite destination for local visitors and tourists.

A14. In 2017 a design charrette was held in North Berwick to examine in detail the issues of the town centre. The results provide an informed public view expressed at a point in time. The charrette covered improving walking with wider footpaths and access at the east end of High Street; improvements to help people get around; street and public realm improvements; traffic and parking; character of the town centre; quality and amenities; sustainable and active travel; safer streets that reduced the feeling of threat from moving vehicles; and making the town centre more orientated towards people. North Berwick High Street is busy with vehicles and there is opportunity to provide a new car park to increase capacity and reduce cars circulating the town centre searching for parking.

The Citizen's Panel Survey (2018) identified a need for a wider range of shops, more parking and a more attractive town centre environment.

A16. Action 3 from the North Berwick town centre strategy looks to progress the reorganisation of town centre car parking with the introduction of specific waiting times for off street facilities.

Climate Change and Road Safety Benefits

A17. In February 2020, Transport Scotland published its National Transport Strategy 2 (NTS2) which set out a vision for Scotland's transport system over the next 20-years to 2040, including a statement of transport's contribution to achieving net zero by 2045. Its 'Vision' is:

'We will have a sustainable, inclusive, safe and accessible transport system, helping deliver a healthier, fairer and more prosperous Scotland for communities, businesses and visitors'.¹

A18. The NTS2 establishes two 'hierarchies' which define the principles upon which future transport investment decision making and services should be planned. The 'Sustainable Travel Hierarchy' defines the priority which will be given to each mode of transport in future investment planning which includes the 'Sustainable Investment Hierarchy' which establishes a structured set of steps to be followed when planning investment in transport provision.

A19. In summary, the Sustainable Travel Hierarchy prioritises walking & wheeling and cycling, with investment to support the single occupant private car being the lowest priority. Measures promoted through the strategy, and which will emerge from it, should prioritise active travel and accessible public transport connections, whilst at the same time discouraging short, single car occupant journeys. On this basis, the proposed parking interventions are highly consistent with the NTS2 Sustainable Travel Hierarchy.

¹ National Transport Strategy 2 (Transport Scotland, 2020), p. 5.

A20. The implication of this hierarchy is that investment in new infrastructure should only be considered once a wider package of options to reduce the need to travel, reduce the need to travel unsustainably, optimise use of existing infrastructure, influence travel behaviour or manage demand have been explored. Parking management interventions can be classified as ‘making better use of existing capacity’ and would therefore be more appropriate than measures that sought to increase parking capacity through construction of infrastructure.

A21. Following the commitment to reduce car kilometres by 20% within the Securing a Green Recovery on a Path to Net Zero: Climate Change Plan 2018 – 2032 policy document Transport Scotland published a stakeholder consultation report setting out a route map for how this target can be achieved. The framework recognises that any solution must include a holistic framework of interventions to provide car-use reduction options for different trip types in different geographical areas. To encourage the reduction in car usage, the framework outlines the need for a behaviour change by users through positive messaging. This has led to the development of four desired behaviours which are displayed in Figure A1 below. Parking interventions can contribute to helping people to live well locally by enabling them to access local services and amenities whilst also supporting switching modes to walking, wheeling, cycling and public transport where appropriate.

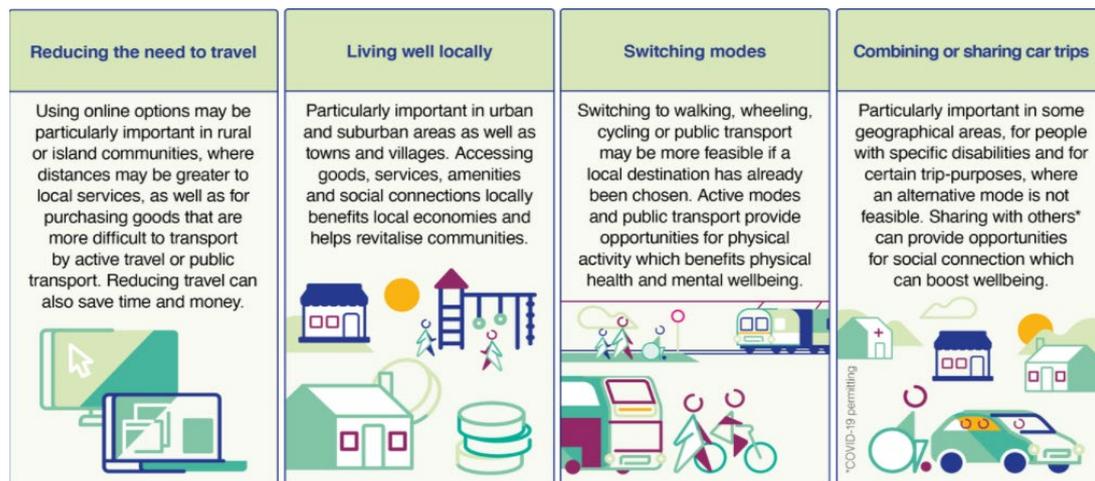


Figure A1: Route Map to 20% Car KM Reduction – Four Behaviours

A22. The policy documents listed above provide a framework for the proposed parking interventions within North Berwick. Scottish Government policy has seen a significant shift towards prioritising walking, wheeling and cycling as preferred methods of transport for shorter journeys, with public transport and shared mobility the preferred mode for medium to longer journeys. This shift will require a behavioural change which can require a ‘carrot and stick’ approach. The implementation of parking controls within North Berwick will provide a demand reducing measure that would fall within the Scottish Government’s ambitions to reduce car kilometres by 20% by 2030.

A23. East Lothian Council – Climate Change Strategy also looks to reduce transport emission and increase active travel and sustainable transport options for everyday journeys. Data shows that more people walk in East Lothian than

surrounding local authorities and Scotland generally, with 59% making short journeys by foot but 33% still choice to drive this relatively short distance. Only 1% choice to cycle. (East Lothian by Numbers – Members Library Report)

A24. Currently 83% of East Lothian’s residents have access to one or more cars or vans and 35% have access to two or more cars or vans. Access to a car is greater in East Lothian than Midlothian (79%) and Scotland (75%) averages. Access to a private car or van has increase in East Lothian by 3% since 2014. This suggests that if residents have access to parking, they may be more likely to use their cars for short journeys to the town centre for economic / leisure purposes as car are more prevalent.

A25. Nationally vehicular traffic accounted for 35.6% of emissions in 2018. It remains the largest CO2 producing sector and presents a singular challenge to mitigate the transport sector to meet net zero targets. Transport is a derived demand, driven by the essential need to move people, goods, and services to drive economic growth. National objectives seek to promote walking, cycling and public transport over private car use as these present the greatest benefits to communities allowing improved mobility, safety, health and accessibility enhancements to be delivered through place making initiatives. Management of demand for parking provides a push behavioural change approach which can be incentivised with other pull initiatives to enhance the place for all users, over time.

A26. Road collision incidents in East Lothian’s towns are generally low with 21 serious injuries being recorded over the 5-year period 2017–2021. It is noted that no fatal or serious personal injury collisions have been recorder in proposed controlled parking area within North Berwick for this period. However, within the built environment an unacceptable risk remains due to the high demand of parking space and constant search for parking opportunity close to the driver’s destination. On-street parking contraventions or restricted parking abuse during busy times can place the public at risk. The existing maximum stay for Forth Street, Westgate and High Street are maintained which in real terms should not result in an increase of risk due to parking turnover.

A27. The problems identified in the North Berwick Charette have led to wasteful, congesting, and polluting circulation by drivers seeking the best spot, difficulty finding spaces for residents and problems for loading / unloading for businesses within the town centre. When parking demand outstrips supply within small town centres, some drivers cannot immediately find a vacant parking space causing drivers to ‘cruise’ for a parking space. This in turn increases the amount of traffic on a road and adds additional pollution to a town centre.

A28. Interventions which increase walking, wheeling, cycling, or use of public transport can reduce car use and free up space on streets. A literature review by ClimateXChange² shows there is considerable evidence to suggest that improved sustainable travel has environmental, economic, and social benefits

³ [The benefits of sustainable travel to local high streets and town centres | ClimateXChange](#)

to local high streets and towns. Evidence collected showed that there is a wide breadth of potential benefits of sustainable travel to communities, but that evaluation and measurement of impacts does not always capture this.

A29. The review found significant evidence of decrease in air pollution in all geographies across large sample sizes with a strong focus on sustainable transport. Modelling suggests that if 10% of the population switched from cars to bikes and public transport, emissions would decrease by about 10% (car to bike) and 3% (car to public transport).³ There is also significant evidence of a decrease in carbon emissions in all geographies across large sample sizes. In one case study, carbon emissions decreased by 66% over a 15-year period following pedestrianisation of a city centre⁴.

A30. There is also evidence of the short-term impact of suitable transport on increased land values and rental prices for businesses, making an area more attractive for investment and desirable to live in more than one geography across large sample sizes. The impact varied from an increase in land values between 70–300% with retail commercial rates increasing in the range of 10–30%.^{5,6} ClimateXChange review found evidence of higher footfall in businesses across large sample sizes in all geographies, as well as increased time and money spent in local businesses. Several UK studies found that footfall increase by approximately 30% after the introduction of sustainable travel measures.⁷

A31. Nationally vehicular traffic accounted for 35.6% of emissions in 2018. It remains the largest CO₂ producing sector and presents a singular challenge to mitigate the transport sector to meet net zero targets. Transport is a derived demand, driven by the essential need to move people, goods, and services to drive economic growth. National objectives seek to promote walking, cycling and public transport over private car use as these present the greatest benefits to communities allowing improved mobility, safety, health and accessibility enhancements to be delivered through place making initiatives. Management of demand for parking provides a push behavioural change approach which can be incentivised with other pull initiatives to enhance the place for all users, over time.

A32. Road collision incidents in East Lothian's towns are generally low with 21 serious injuries being recorded over the 5-year period 2017–2021. It is noted that no fatal or serious personal injury collisions have been recorded in proposed controlled parking area within North Berwick for this period. However, within the built environment an unacceptable risk remains due to the

³ [The climate change mitigation impacts of active travel: Evidence from a longitudinal panel study in seven European cities - ScienceDirect](#)

⁴ Council of Pontevedra, 2017. Fewer cars, more city.

⁵ Living streets, 2018. The Pedestrian Pound: The business case for better streets and places.

⁶ Litman, T., 2023. Guide to Valuing Walking and Cycling Improvements and Encouragement Programs. Transportation Research Record.

⁷ Momentum Transport Consultancy, 2022. Funding Healthy Streets Assets: Guidance for Effective Public Private Partnerships in Delivering Healthy Streets Projects.

high demand of parking space and constant search for parking opportunity close to the driver's destination. On-street parking contraventions or restricted parking abuse during busy times can place the public at risk. The existing maximum stay for Forth Street, Westgate and High Street are maintained which in real terms should not result in an increase of risk due to parking turnover.

Legislative Context

A33. The Road Traffic Regulation Act 1984 – the legislation laid out in the Act provides powers to local authorities to implement parking demand management processes including tariffs for on and off-street facilities.

A34. The general provisions of the Act allows an authority to make an order were it considers that it is expedient to do so:

- (a) for avoiding danger to persons or other traffic using the road or any other road or for preventing the likelihood of any such danger arising, or
- (b) for preventing damage to the road or to any building on or near the road, or
- (c) for facilitating the passage on the road or any other road of any class of traffic (including pedestrians), or
- (d) for preventing the use of the road by vehicular traffic of a kind which, or its use by vehicular traffic in a manner which, is unsuitable having regard to the existing character of the road or adjoining property, or
- (e) (without prejudice to the generality of paragraph (d) above) for preserving the character of the road in a case where it is specially suitable for use by persons on horseback or on foot, or
- (f) for preserving or improving the amenities of the area through which the road runs
- (g) for any of the purposes specified in paragraphs (a) to (c) of subsection (1) of section 87 of the Environment Act 1995 (air quality).]

A35. Provision 32 within the Act describes the powers local authorities have where for the purpose of relieving or preventing congestion provision of parking spaces can be provided.

A36. Provision 33 within the Act goes on to detail the additional powers of local authorities in connection with off-street parking places.

A37. Provision 45 within the Act details that a local authority may by order designate parking places on roads in their area for vehicles or vehicles of any class specified in the order; and the authority may make charges for vehicles left in a parking place so designated.

A38. The Local Authorities' Traffic Orders (Procedure) (Scotland) Regulations 1999 sets out the requirements of advertising traffic orders, the means and requirements for objection and the basis of holding a hearing.

A39. Provisions 5 within the regulations sets out the requirements of advertising traffic orders, whilst provision 7 sets out the manner in which objections to the published order should be made, this requires objections to be in the form of a written statement.

A40. Provision Section 8 of the regulations outlines when a hearing should be held following objections to an order. The provisions also indicates that a hearing may be held in other circumstances. In the case of the advertised orders there is no requirement to hold a hearing for orders No. 1, No. 2 and No.3. The inclusion of on street parking charges fall under section 45 of the Road Traffic Regulation Act 1984, although these do not prohibit loading there is an implied requirement to hold a hearing to consider outstanding objections.

Appendix B - Summary of Representations and objections

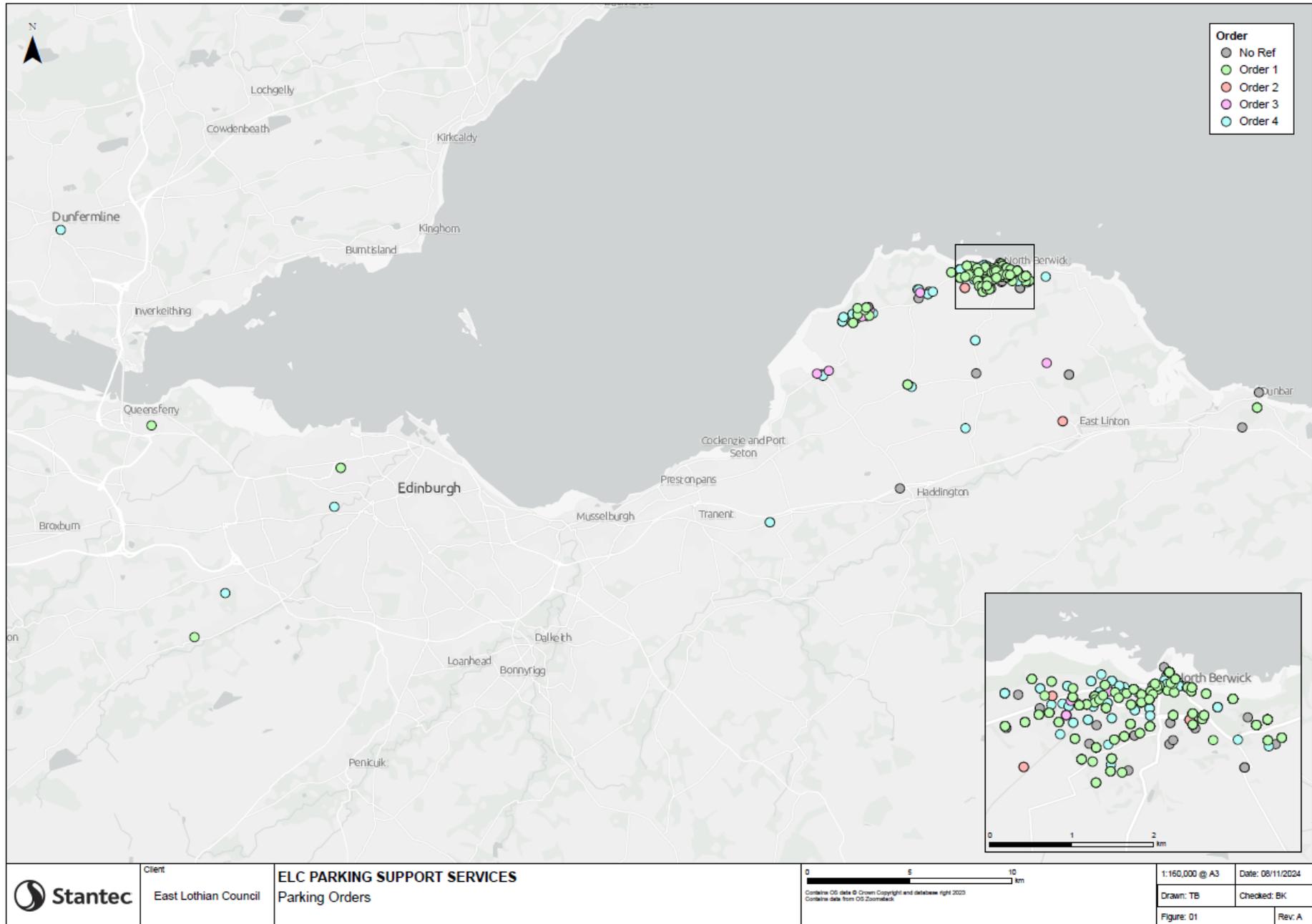
Objections by theme by Order

Order Reference	No. 1	No. 2	No. 3	No. 4	no ref.
Correspondence	149	84	72	338	190
Objections	146	82	67	319	153
Not Qualified	4	3	4	9	25
Request for information/clarification	4	4	5	14	22
General approval for the scheme	3	2	2	6	10
General opposition to the scheme	73	45	29	177	99
Parking charges will harm local businesses	91	45	38	198	82
Scheme excessive parking isn't an issue only for specific periods	76	43	30	142	42
Cost of scheme is not justifiable	25	14	14	57	25
Call for consultation to be extended/repeated	6	7	6	11	7
Scheme will displace parking	57	33	23	117	22
Scheme fails to address issues with motor caravans	40	49	24	46	15
Scheme proposes unsafe parking arrangements	43	29	19	71	13
Proposals unfair to residents	103	61	43	215	66
Older less able-bodied residents will be disadvantaged	57	18	13	64	39

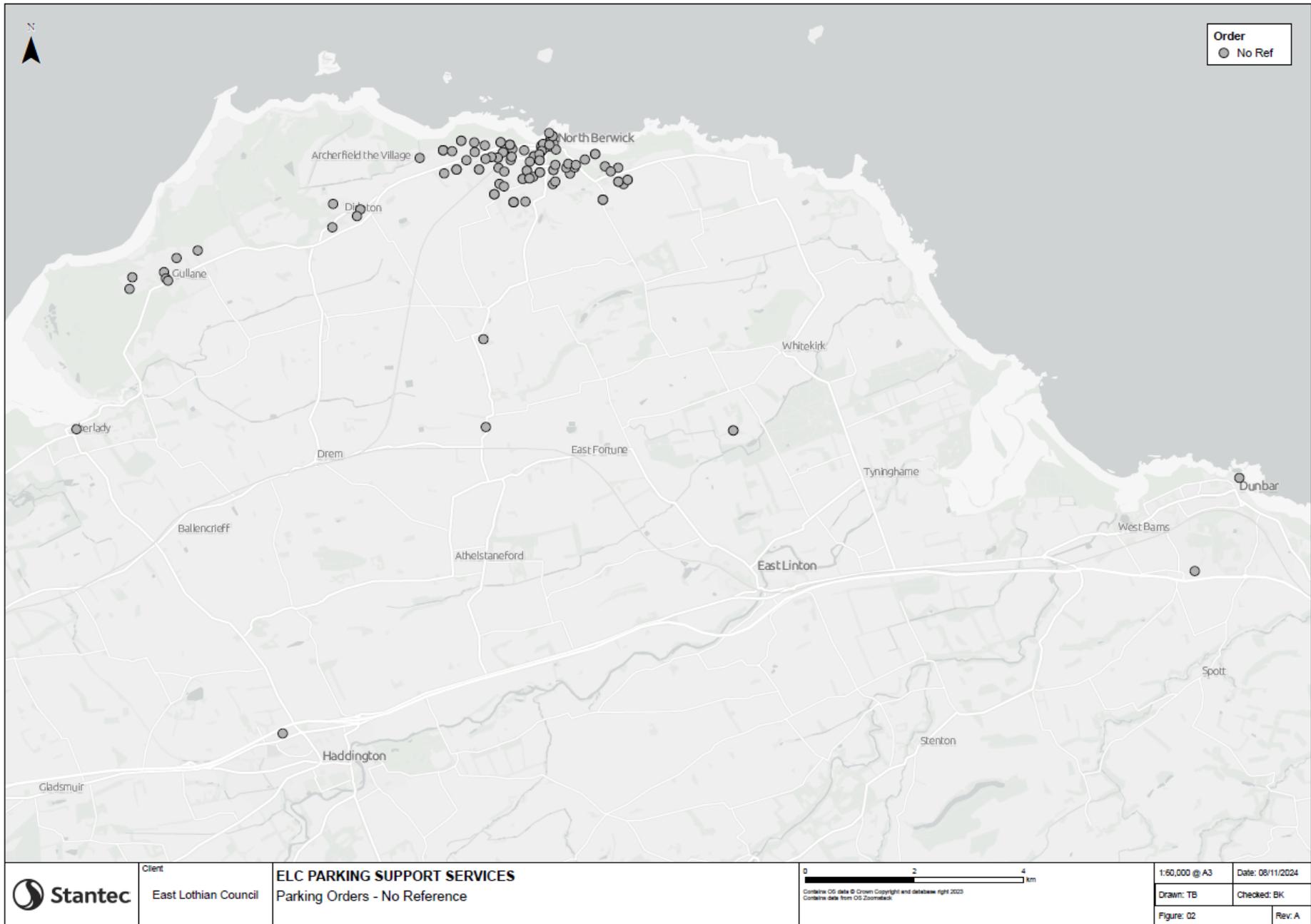
Number of representations by Order by location.

	Occupied house holds	all people over 16 in a household	No Order Ref.	Order 1 Reps.	Order 2 Reps.	Order 3 Reps.	Order 4 Reps.
North Berwick	3,666	6670	105	113	63	44	248
CPZ			38	68	42	24	143
Aberlady	571	1,123	1	0	0	2	1
Gullane	1320	2,371	7	6	3	9	18
East Lothian	48,792	90,496	118	124	70	56	272
other			2	3	2	2	7
No address			70	22	12	14	59
Total Reps			190	149	84	72	338

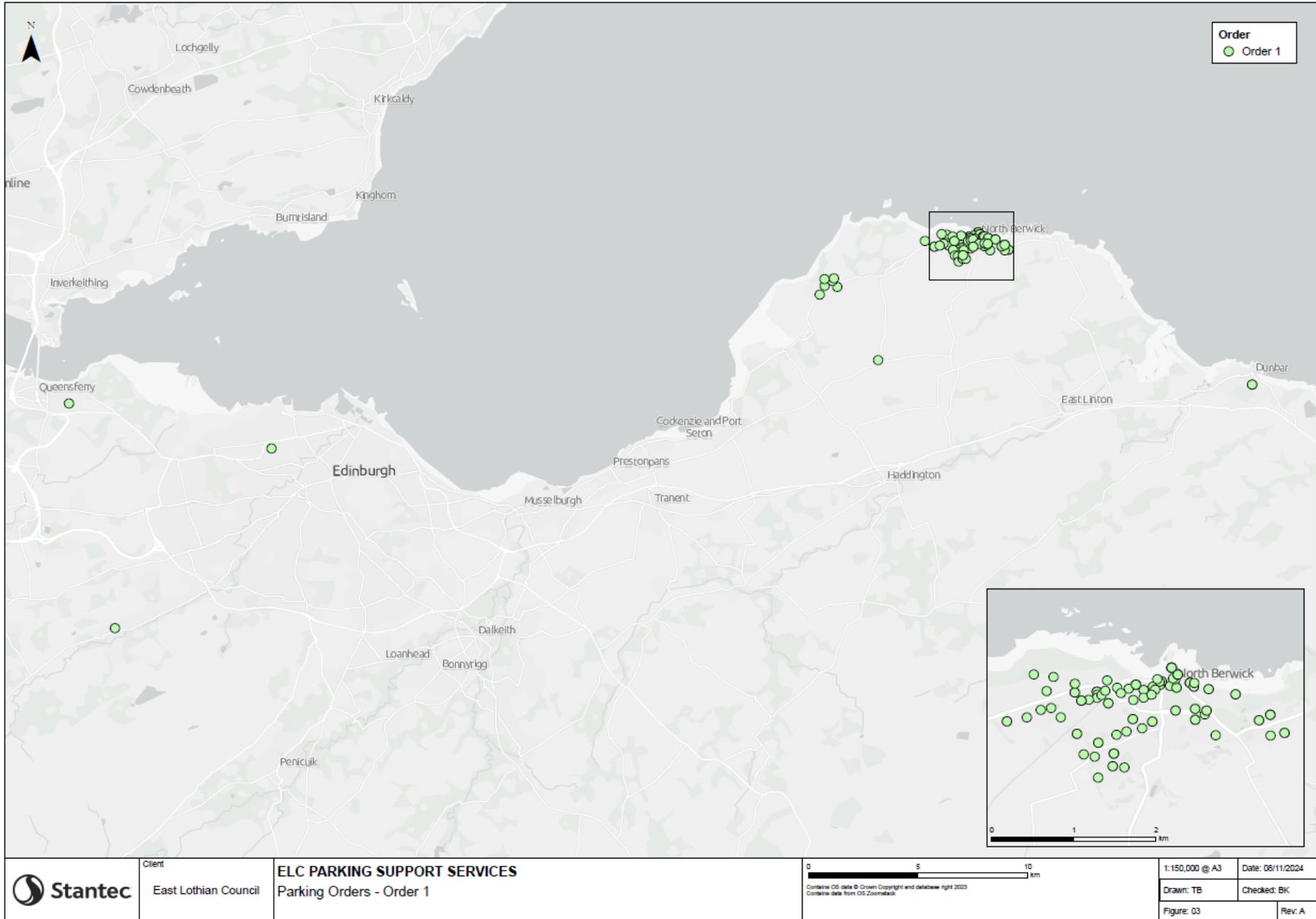
Locations of All Objections



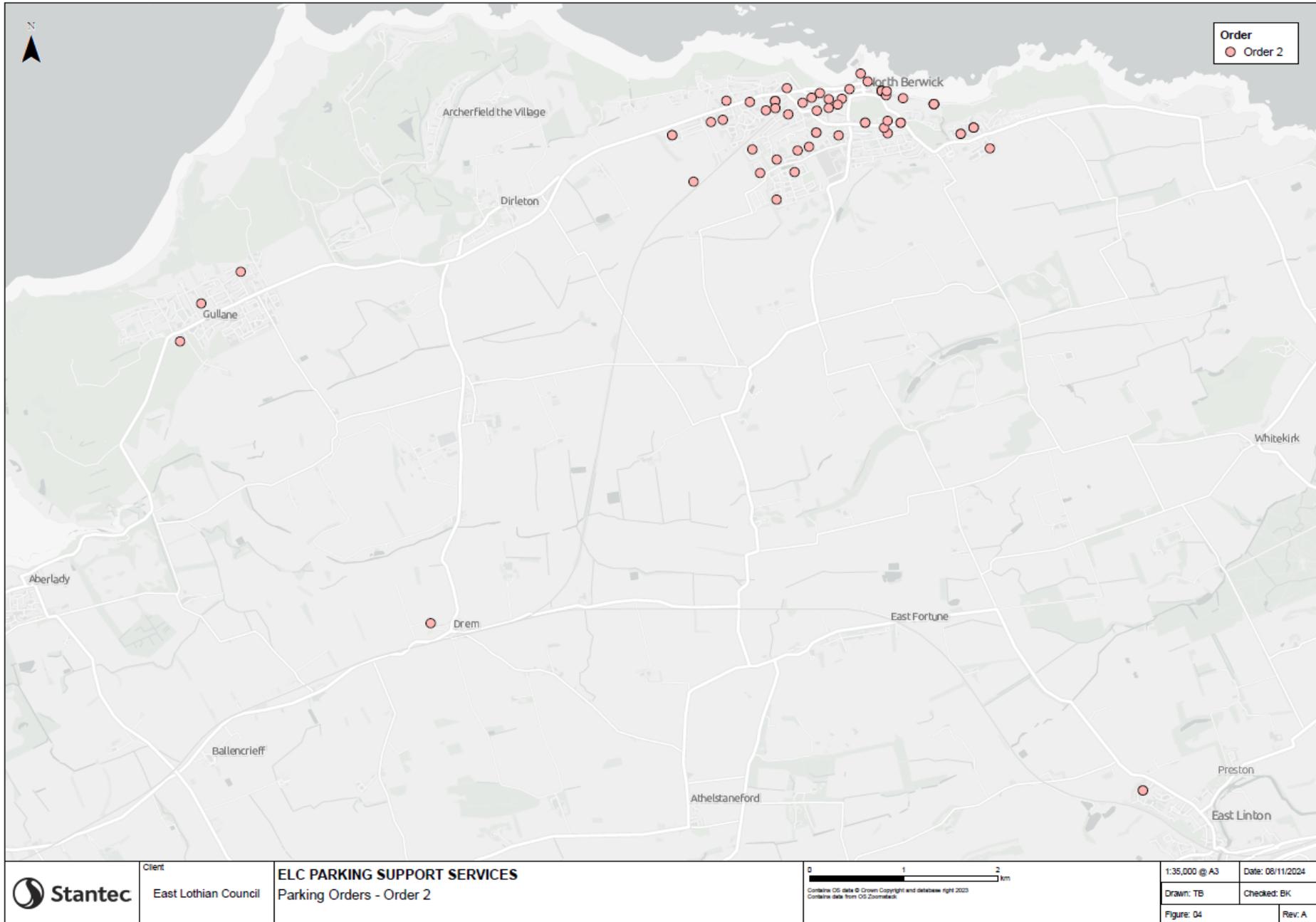
Location of Objections that do not refer to a specific Order.



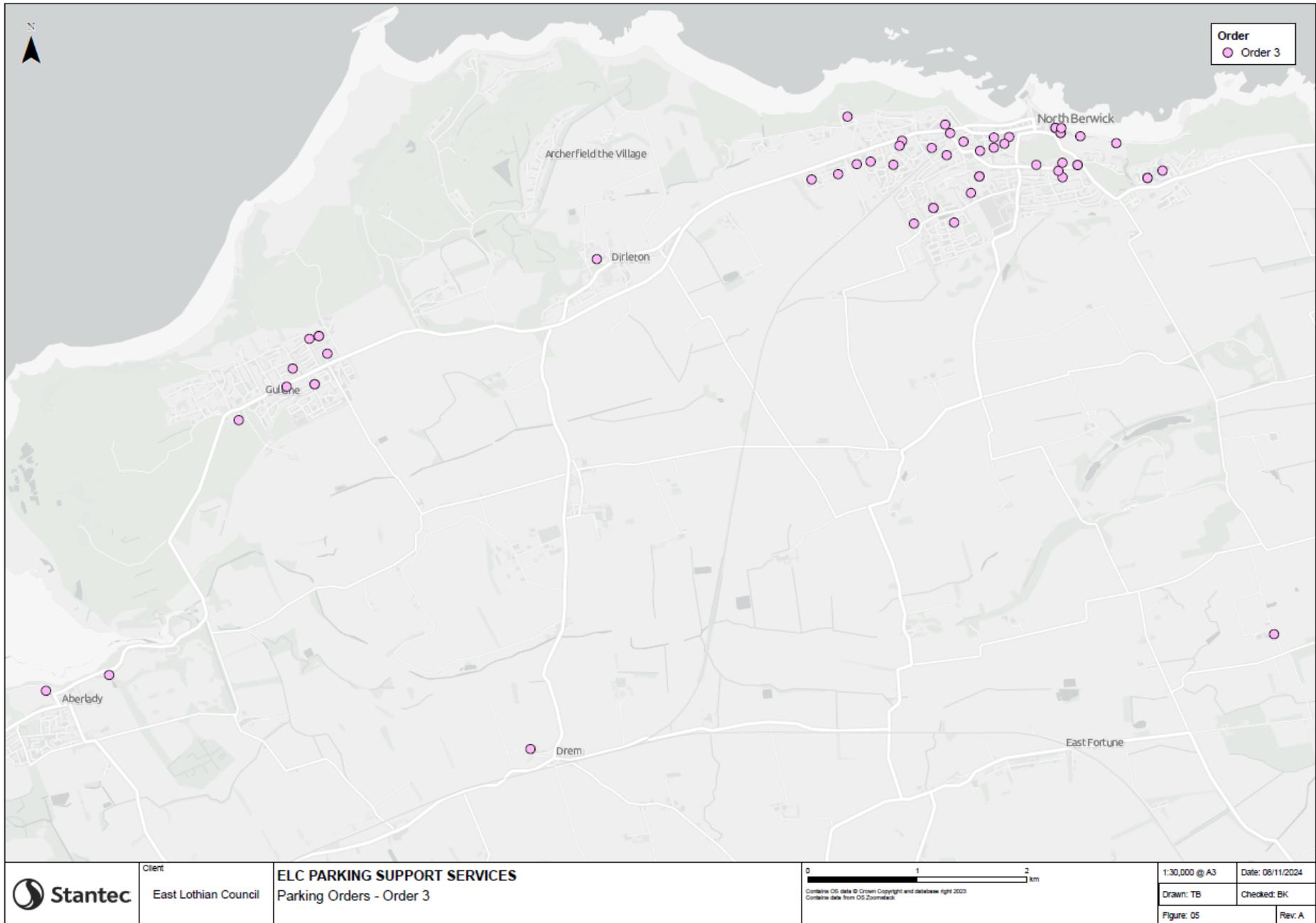
Location of Objections to Order No.1



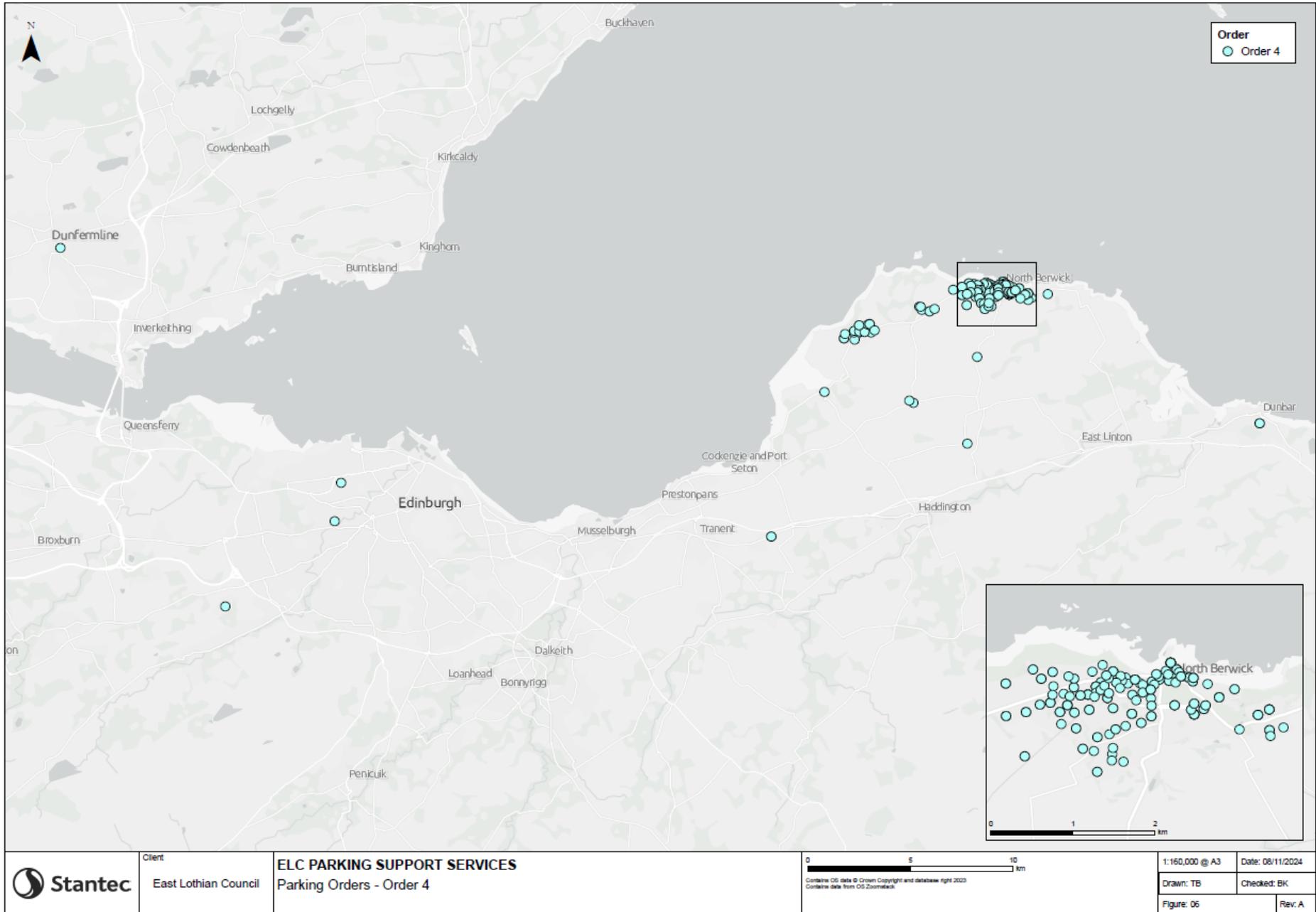
Location of Objections to Order No. 2

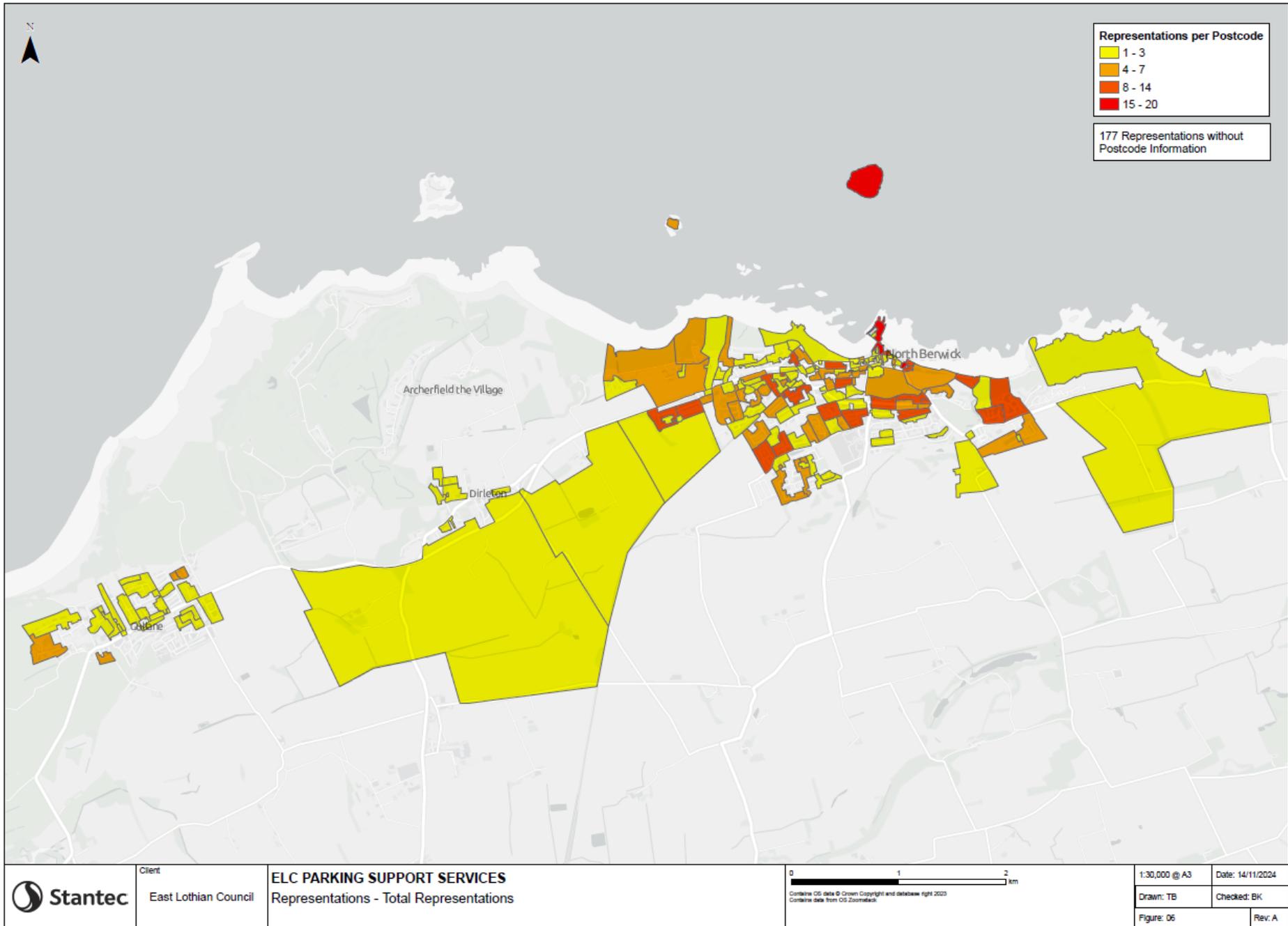


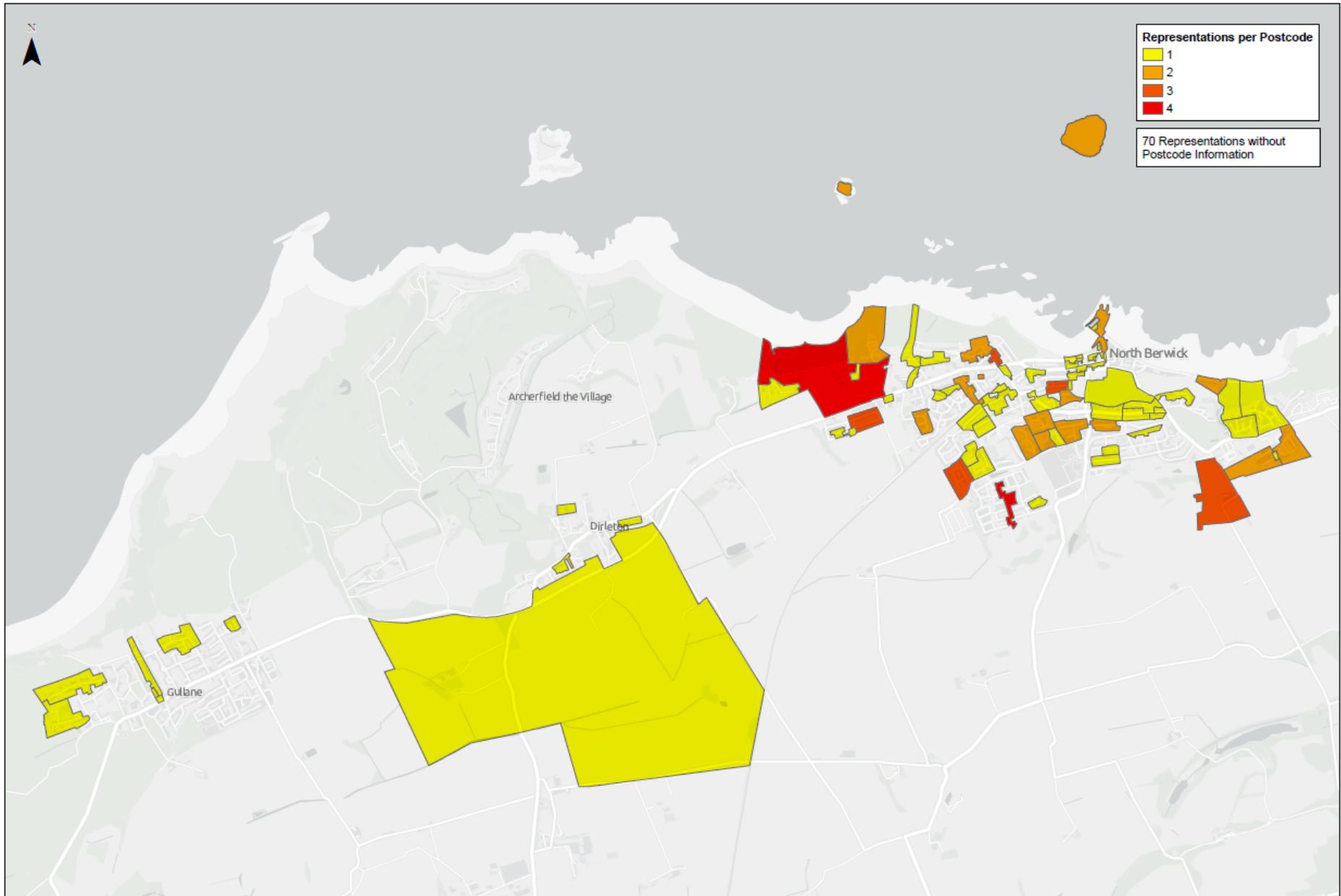
Location of Objections to Order No.3



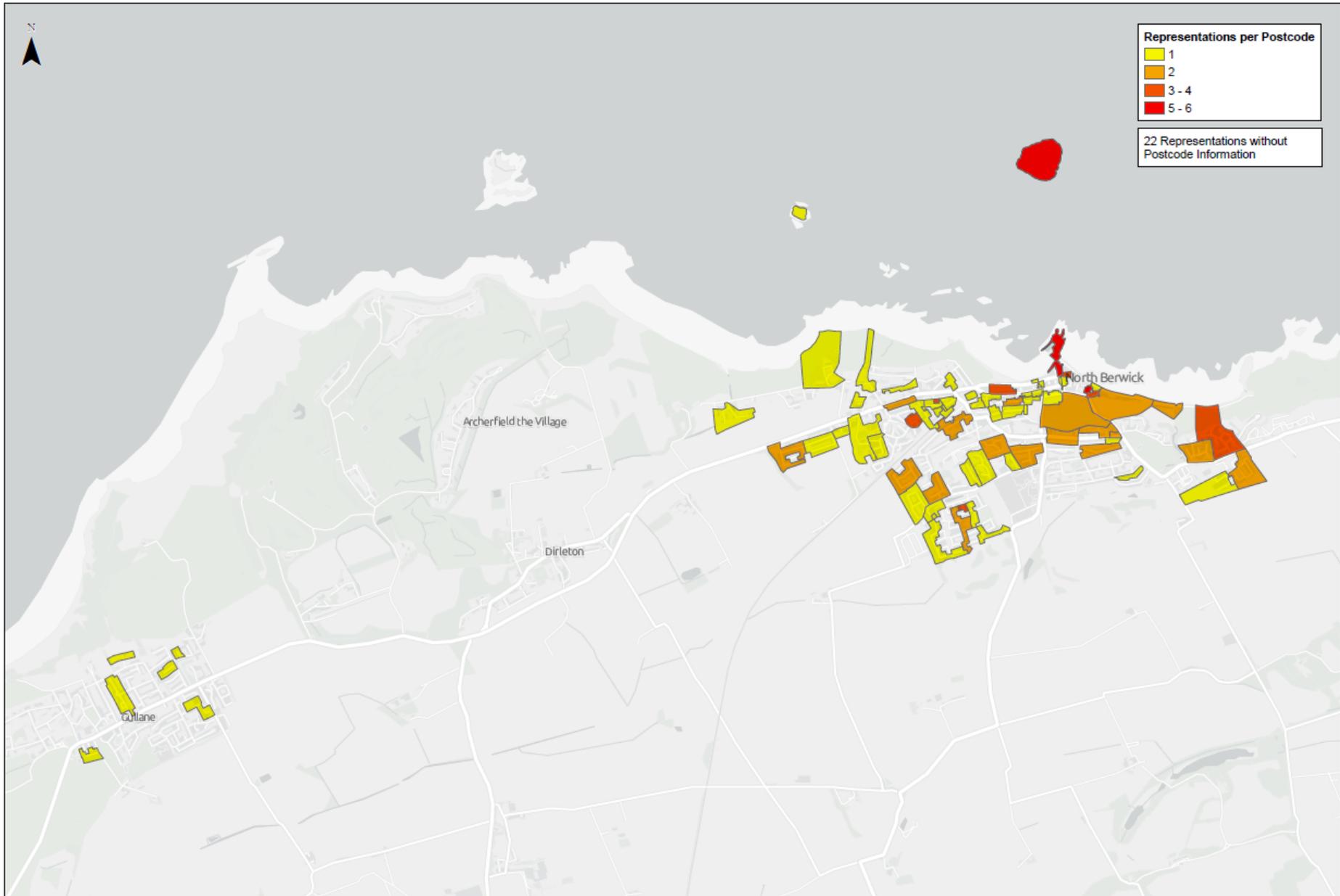
Location to Objections Order No. 4



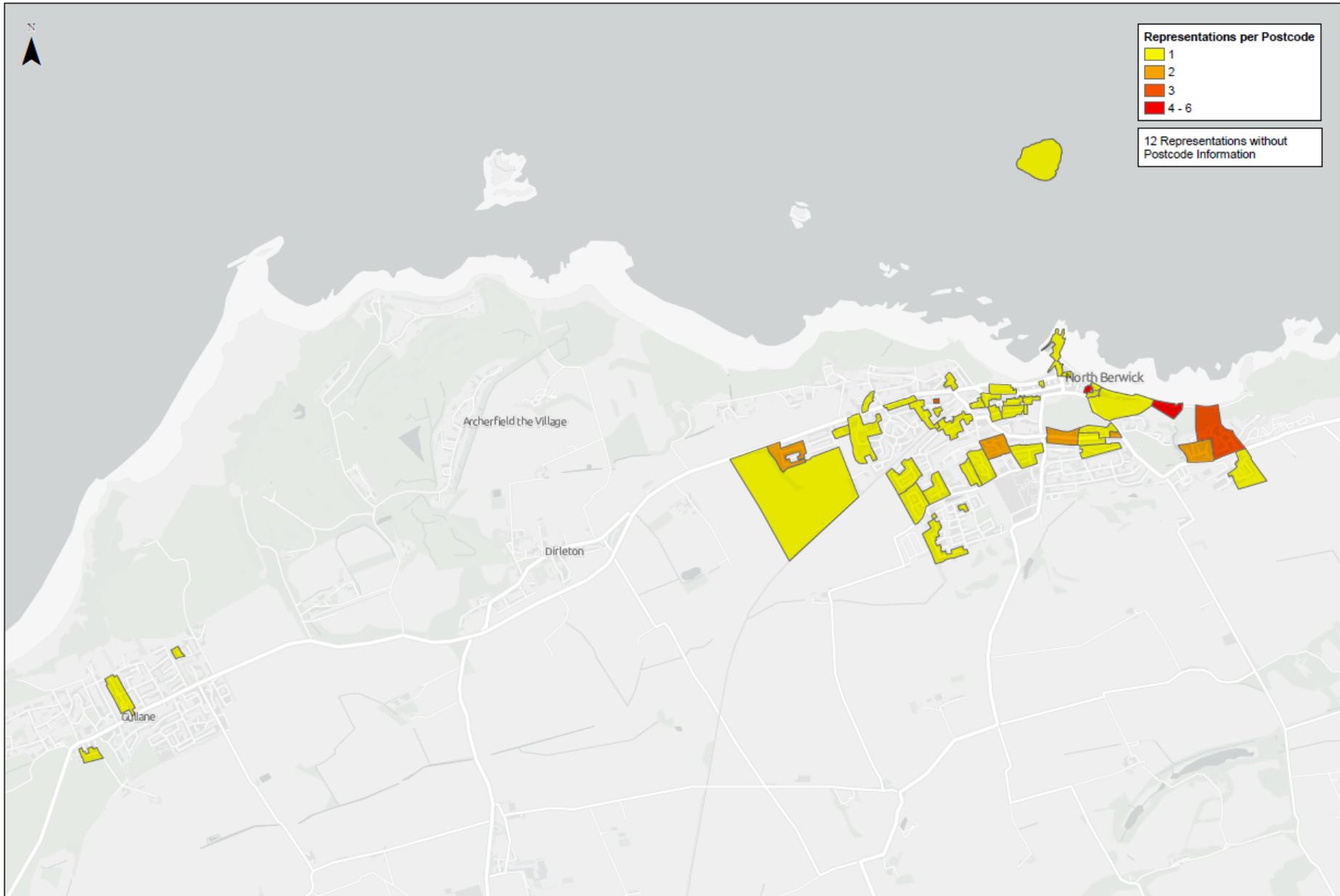




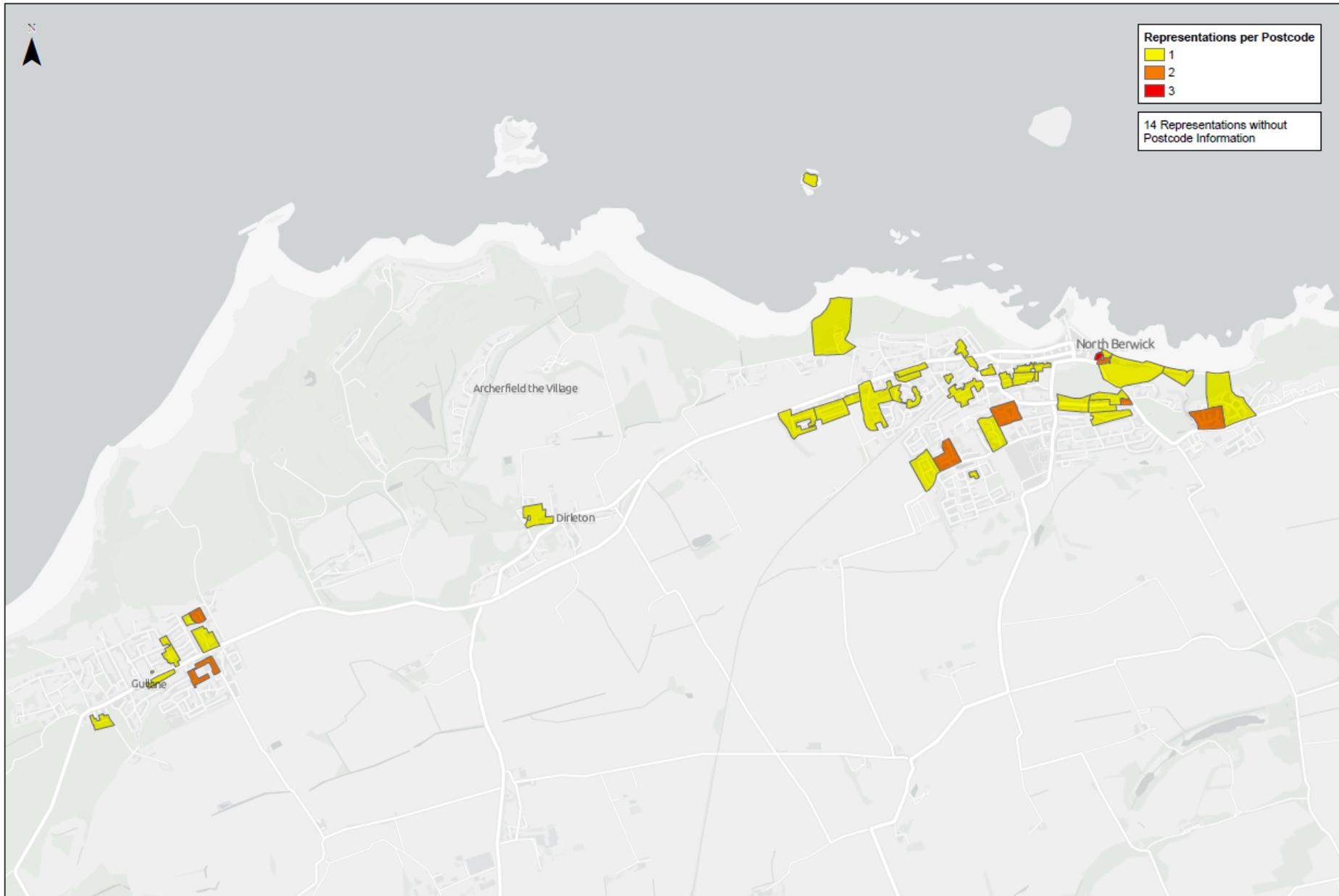
	Client	ELC PARKING SUPPORT SERVICES Representations - No Reference			1:25,000 @ A3	Date: 14/11/2024
	East Lothian Council		<small>Combine OS data © Crown Copyright and database right 2023 Combine data from OS Zoomstack</small>		Drawn: TB	Checked: BK
				Figure: 01	Rev: A	



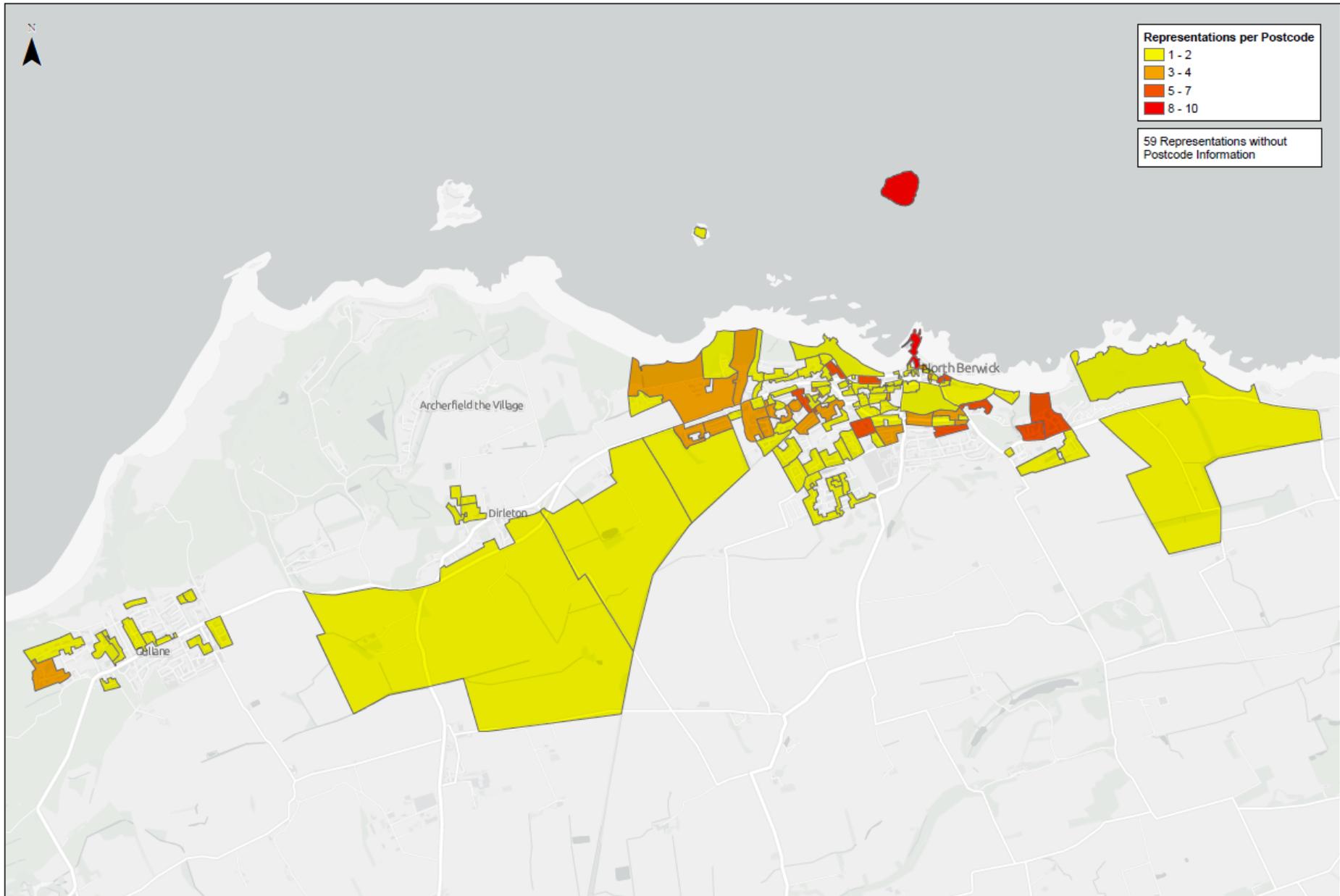
	Client	ELC PARKING SUPPORT SERVICES Representations - Order 1	0 1 2 km	1:25,000 @ A3	Date: 14/11/2024
	East Lothian Council		<small>Contains OS data © Crown Copyright and database right 2023 Contains data from OS Zoomstack</small>	Drawn: TB	Checked: BK
				Figure: 02	Rev: A



	Client	ELC PARKING SUPPORT SERVICES Representations - Order 2	0 1 2 km	1:25,000 @ A3	Date: 14/11/2024
	East Lothian Council		<small>Contains OS data © Crown Copyright and database right 2023 Contains data from OS Zoomstack</small>	Drawn: TB	Checked: BK
				Figure: 03	Rev: A



	Client	ELC PARKING SUPPORT SERVICES Representations - Order 3			1:25,000 @ A3	Date: 14/11/2024
	East Lothian Council		<small>Contains OS data © Crown Copyright and database right 2023 Contains data from OS Zoomstack</small>		Drawn: TB	Checked: BK
					Figure: 04	Rev: A



Representations per Postcode

- 1 - 2
- 3 - 4
- 5 - 7
- 8 - 10

59 Representations without Postcode Information



Client
East Lothian Council

ELC PARKING SUPPORT SERVICES
Representations - Order 4

0 1 2 km
Contains OS data © Crown Copyright and database right 2023
Contains data from OS Zoomstack

1:30,000 @ A3	Date: 14/11/2024
Drawn: TB	Checked: BK
Figure: 05	Rev: A

Appendix C – General Representations

Overarching Themes

C.1 Difficult to respond to

There are claims that the Council has made it as difficult as possible to respond to the scheme and has failed to adequately consult with or listen to the local community. The main point is around the need to respond to four separate TROs and it is claimed it is difficult to navigate the process with the intention to reduce the number of valid objections. There have also been comments that the council has not held public meetings to explain the proposals.

As set out in the body of the report, the orders comprise of the principal order, the 2023 order, advertised last year, which was withdrawn. The 2023 order was amended taking account of representations and split between on and off street parking and the provision of two new orders. The process requires representation to be specific to an order to ensure clarity when considering the representations made and to avoid representations that are not relevant to the aspects of the different orders, for example, parking charges do not apply to the number 3 order.

C.2 Reliance of on-street parking and third-party car parks

The representations highlight the reliance residents place on the parking provision of the road (street) and the towns car parks.

The council has no statutory requirement to provide parking. The fundamental role of the highway is to give people the ability to pass and repass without let or hindrance, in real terms any vehicle parking on the highway is an obstruction. The widespread use and ownership of the motor car has resulted in a reliance of residents to park predominantly on the road where housing was built prior to widespread car ownership. In many cases the available kerb space is not sufficient for the demand within the street as the streets are relatively narrow and are unable to accommodate parking on both sides, which in turn reduces kerbside space. There are a marked number of properties which have taken the opportunity where they have sufficient space to create off street parking. This can reduce the demand for on carriageway space although the creation of vehicle crossovers can significantly reduce the number of on street parking places. There has been a reliance by residents to park on the road, to a point where there is an expectation that this is acceptable.

Due to kerb side demand, there has been a reliance on car parks for parking by residents. The use of car parks raises the issue as to the reasons the car parks have been provided, are they a destination car park for local visitors, tourists

and workers or for the benefit of residents? The use of car parks by residents suggests that there is benefit for a small number which is supplemented by the wider community suggesting parking in car parks or on street is an extension to a resident's property.

The introduction of car parks has been researched, there is very limited information available as to the background of the introduction of each car park, although the information supports the notion that they have been provided as a direct result of the impact of tourists to North Berwick. Further commentary on the car park provision is provided in Appendix H.

C.3 Proposals conflict with Local Development Plan

A point raised in later representations is that the proposals are not in line with the Local Development Plan.

The LDP make specific reference to parking management under Policy T29. The policy states "The Council will implement its parking strategy to improve efficiency of the current supply and reduce the negative impacts of parking within settlements" Therefore the objection that the proposals go against the LDP are incorrect as the proposals are being introduced to deliver the parking strategy.

C.4 The Proposals do not align with Scottish Transport Appraisal Guidance. (STAG) Principals and GG142 Walking Cycling and Horse Riding Assessment

A point raised is that the appraisal does not comply with Scottish Government Technical Guidance.

An appraisal using STAG is required whenever Scottish Government funding, support or approval is needed to change the transport system. It may also offer a suitable framework for other funders. The orders referred to in respect of STAG are not considered as being a change to a transport system. The use of STAG is therefore not appropriate.

In the case of GG142, this is specific to Motorway and Trunk road schemes and is not an appropriate design standard for the assessment of traffic orders.

The proposals are in line with the approved parking strategy, which is specific in managing existing parking before considering the need for additional facilities. This is also supported by policy T29 of the Local Development Plan to introduce the parking strategy to improve efficiency of the current supply and reduce the negative impacts of parking within settlements.

C.5 Money-making scheme

A significant number of representations state that the introduction of parking charges to make money for the council.

One of the primary reasons for introducing parking charges is to generate an income to pay for increased enforcement.

The background as set out in Transport Scotland - Decriminalised Parking Enforcement Local Authorities' Income and Expenditure: 2021 to 2022 states: "DPE is a regime that enables a local authority to enforce its own parking policies, including the issuing of Penalty Charge Notices (PCNs) to motorists breaching parking controls in specified areas. DPE seeks to ensure that parking policies are implemented effectively and the underlying objective of DPE operation should be to achieve 100% compliance with parking controls and therefore no penalty charges."

Ministers' guidance to local authorities on DPE powers is that the system should insofar as possible be self-financing. In real terms with 100% compliance there would be no income from PCN's and additional sources of which includes parking charges will be needed to fund a level of enforcement to achieve 100% compliance.

There have been requests for additional enforcement within North Berwick, the additional revenue raised through the introduction of charged for parking will support an increase in enforcement.

In addition to meeting the objectives set out within the parking strategy there has been significant request to restrict motor caravan parking within North Berwick which will require additional enforcement. There is also a need to continue maintaining the existing car parks along with request for the provision of additional car parks and re-pay the investment in provision of the ticket issuing machine, lining and signing.

It is noted, the introduction of parking charges is likely to produce a surplus and this may only be used to make good any amount charged to the general fund over the preceding 4 years for parking enforcement/implementation or for certain transport-related purposes including; the provision and maintenance of off street parking or, where the local authority consider that further provision of off-street parking is not necessary or desirable, the provision or operation of (or facilities for) public passenger transport services; or for road improvement projects in the local authority area.

C.6 Parking payment

Representations have been raised with the use of phone-based technology and the potential to disadvantage some user groups, a similar issue has been raised by other charging systems such as cashless payment at parking machines and internet based applications for permits and fees. There has been concern raised with phone signal issues and the reliability of such a system to pay for parking as currently phone signal reception is poor and during peak times such as fringe by the sea the signal is likely to be degraded due to use which may prevent payments by phone. This has been an issue at some major events where traders have been hit when trying to take cashless payments.

The introduction of parking payment stations has been a concern raised with the impact in the conservation area, the potential for reducing the width of already narrow footways and being a general hazard for pedestrians, this coupled with the inconvenience to obtain a ticket for a period of free parking for the roads around the High Street. The issue of the cost of the provision of parking machines has been raised.

At present, there is no design as to the extent of the provision of parking machines or whether other payment systems will be introduced. The Council is in discussions with its preferred supplier and other local authorities in consideration of the points raised. There are no material matters of concern being flagged by the supplier or other Councils.

C.7 Problems only seasonal

There is a general objection which is repeated being that the problem is only for a short period during the summer and particularly during events such as Fringe by the Sea and the Highland Games. There is concern raised around parking displacement as a result of the introduction of restrictions.

In response to the objections around the limited time the town suffers problem with parking, the operation of a parking enforcement is an all-year-round activity as many restrictions which require enforcement are for areas where parking is prohibited. The provision of additional enforcement, which would need the funding from the parking charges is an outstanding request from the community.

C.8 Impact on High Street

There is a significant number of objections raised stating the restrictions will have a negative effect on businesses within the High Street. Although there have been representations made by some businesses, the majority of objections are not qualified as being made by businesses or on behalf of those with business interests.

The negative impact on business has been raised several times for both on and off street parking, with reference made to Berwick Upon Tweed, Kirkcaldy and Ayr as having removed parking charges due to their negative impact on business. The available online information for parking in these towns has been reviewed.

Berwick Upon Tweed – Both car parks and on street parking is free. The maximum on street stay being generally 1 hour and car parks having a maximum stay between 1, 2 and 3 hours with long stay parking defined as all day.

In the case of Kirkcaldy, the on street charge has been removed although this only applies to a limited area with a maximum permitted stay restricted to 1 hour.

Ayr – Parking charges for on street bays has been withdrawn, with no charge for a maximum stay of 2 hours. The parking charges for off street car parks has been retained.

It is difficult to draw direct comparison between the different pricing and maximum stay periods for the different schemes across both Scotland and the UK in general. In the case of North Berwick a free period for on street parking up to 45 minutes is proposed for roads directly adjacent to the High Street, with a maximum stay of 90 minute. The on street maximum stay appears generous compared to other towns with maximum stay typically being 60 minutes. When considering off street parking in several towns this is limited although there is clearly a demarcation of car parks adjacent to the business centres having a tighter restriction on maximum stay compared with outlying car parks. A comparison chart of a limited number, for example on and off street charging is given in Appendix I.

It is claimed that the proposals will influence visitors to use the out-of-town retail stores in preference to the town centre. Clearly out of town facilities provide services that are not catered for in the town centre these being access to a fuel station and choice and price for the larger weekly family shop. This is likely to influence local visitors as opposed to tourists who are specifically looking to visit the town.

C.9 The scheme promotes car use

There have been a small number of representations raising concern that the scheme promotes car use and does not address issues around modal shift.

It is not envisaged that the scheme will increase car use as it looks to manage the exiting demand for parking. It does not directly advocate modal shift, but it

is clear from some respondents that there are trips undertaken within the town which could be undertaken by foot reducing the dependency on the car. The scheme does not look to introduce new car parks but manage existing stock which should not increase car trips.

C.10 The scheme will not be enforceable

It is claimed the scheme will not be fully enforceable.

The issue of enforcement of the proposals has been raised. Concerns relate to the car parks of Castle Hill, Haugh Road and the Sewage Works. In these cases, this has been primarily on the basis that the car parks are not marked. Additional concerns have been raised more generally on enforcement of restrictions that apply overnight such as on street motor caravan parking and issues generally around the enforcement of vehicle type against vehicle height.

The proposed order simplifies enforcement as this defines a motor caravan as a vehicle type. The enforcement of vehicle height applies to all vehicles which include vans used by tradesmen visiting adjacent properties. The existing height restrictions are maintained which are around the Beach Road area of the town. The concern around overnight enforcement of car parks and on street restrictions is not seen as an issue as many of the existing restrictions being double yellow lines are enforced for 24 hours a day.

C.11 Proposals introduce unsafe parking arrangements

There have been several different safety concerns raised, not all are directly related to the potential impacts of the introduction of the parking scheme.

- Traffic lights at Station Road/Dirleton Avenue – the width of the bridge and pedestrian use.
 - *The proposals are unlikely to have an impact on the operation of the bridge due to the existing carriageway width.*
- Drivers forced to park outside the restricted areas causing congestion on residential areas and endangering the lives of children, affecting the normally calm environment.
 - *The extent of displacement is not known, although this is expected to be minimal and associated with all day parking. The displacement of residents and tourists from the zone is not expected due to the permit scheme and tourist being directed to car parks.*
- Forcing parking on Ware Road and Lord President Road at its junction.

- *There is potential for displacement of commuter parking associated with the station, although the station car park should accommodate parking demand. The displacement of parking will be monitored and remedial action if required will be considered.*
- Ware Road - This will create dangers for the young and infirm. As a road with no designated crossing area, higher traffic, on what was otherwise a quiet residential road, will be dangerous.
- The volume of traffic is not expected to increase as a result of the scheme, there may be some initial additional movement whilst the scheme settles in, although long term increase in local movement is not anticipated.
- Visibility for traffic exiting Ware Road onto Dirleton Avenue is dangerous already as the road curves. The increased traffic, on what will be reduced to a single file road, will create dangers for faster moving traffic on Dirleton Avenue.
- *The scheme introduces daytime restrictions on Dirleton Avenue which should address the concern raised.*
- Displaced parking will impact Nungate/Glenorchy Road junction.
- *The junction already has some provision of waiting restrictions, the displacement of parking will be monitored and remedial action if required will be considered.*

In real terms the scheme looks to maintain the existing parking provision, except for Forth Street where minor changes in parking bay locations have been promoted as part of the scheme. There is no evidence that suggest the current available areas which are used for parking have resulted in personal injury collisions. There is a potential for displacement of parking which may lead to congestion, although this may not be as a result of unsafe parking. The responsibility to park in a safe manner falls to the driver and advice on parking is outlined in the Highway Code.

C12. Motorcycles should not be exempt from charges

The scheme exempt motorcycles from permit and parking charges.

This is primarily due to the securing of permits and parking receipts for proof of parking not being able to be safely secured on a motorcycle with instances in other authority areas of permit theft. The development of web based

enforcement and payment linked to vehicle registration may in the future enable a sound basis of introducing charging for these vehicles set against the considered environmental benefits of such vehicles.

C13. Impact on older members of the community

There have been a number of concerns raised by the older members of the community around social exclusion due to the introduction of parking charges and the potential demise of social clubs which operate within the town centre, particularly the Hope Rooms located on Forth Street.

The current restrictions on Forth Street operate June to September inclusive and the maximum stay is 90 minutes. Therefore, local visitors to the Hope Rooms would have limited stay over summer and with the new proposals a 90 minute stay would attract a £2 fee.

Events at the St Andrew Blackadder Church have a similar situation with parking on the High Street restricted and reliance on the Glebe and Kirk Ports Car parks. The scheme does not prevent parking but introduces a charge which is claimed would deter attendees during weekday activities as the fee for parking is not affordable for the older generation who rely on clubs and events held at these town centre venues. It is claimed that without the social interaction this will impact mental health. One respondent claimed that one club has already folded as a result of the parking proposals, although this suggests it is an excuse as the proposals are not confirmed.

The costs are cited to be unaffordable for families.

This in general doesn't reflect the imposition on the person making the statement but for third parties. They are assuming the cost will be unaffordable.

C14. Blanket objections

A number of objectors have made the same representation for each order irrespective of the Order content, this is particularly apparent with two new orders. Orders No.2 and No.3. which seek to address concerns at the Sewage Works and Community Centre and Library. Some respondees repeated their objections for orders No.1 and No.4 in No.2 and No.3.

A number of the issue are not transferable. In the case of the No.3 order there are objections to the introduction of parking charges at the Community Centre and Library, which is not the case. In respect of the No.2 Order it is claimed that parking charges will impact local businesses, which is unlikely due to the distance the car parks are from the town centre. This is also countered in

representations that those vehicles, motor caravans, which use these areas do not contribute to businesses within the town.

C15. No consideration of additional parking supply or park and ride

There is conflict between the points raised within several representations, with some stating that there is not a parking problem and then within the same representation request/suggest the provision of additional car parks and park and ride schemes.

The proposals are in line with Parking Policy 1 which seeks to introduce parking management as this precedes consideration of increasing of parking provision.

Parking Policy 1

The Council will apply a hierarchical approach to parking supply starting with the application of parking enforcement then parking management and, finally, increasing parking provision if these other measures fail to resolve the problem.

C16. Opposition to permitting motor caravan (motorhome and campervan) parking

There is general appreciation of the introduction of restrictions on motor caravans, although the blanket restriction on the use of car parks and on street parking bays with the exception of the Haugh Road and Sewage Works car parks may have a detrimental impact on those motor caravan users who are visiting the area for days out and using a campsite as a base. The proposals effectively preclude this group from visiting the town. It is accepted that motor caravans can park in the rugby club car park, this is not specifically signed. The car park is approximately a 10-to-15-minute walk from the town centre along the steep gradient of East Road.

There is some acknowledgement of the use of the recreation ground car park for motor caravans, this has been highlighted with the need to positively sign motor caravan parking to avoid congestion in the town centre and particularly Tantallon Terrace and Haugh Road.

C17. Request for free parking in all car parks

Requests have been received that a free period of parking is extended to all car parks, the time this should be has not generally been suggested although a 45 minute grace period has been requested.

The introduction of a grace period may limit the availability of car park spaces for long stay parking, the on street provision looks to accommodate short stay immediately adjacent to the potential trip destination.

C18. Impact on railway car park

Concern has been raised as to the railway car park not being included in the proposals and that this will attract additional parking.

The railway car park is in the control of Scotrail and is not a car park in the control of the council. Discussion are ongoing with Scotrail to ensure the use of the car park is appropriate and can be maximised.

C19. Wider permit eligibility

There have been a number of requests for the extension of the eligibility for permits to permit parking. Requests to include the wider residential area of North Berwick and its outlying settlements, availability of worker permits, the availability of golfer permits and the availability of multi zone permits.

The issues around the wider eligibility of permits is covered under Order No. 4 it is accepted that this issue also relates to Order No.1 and Order No.2

Appendix D – Representation made Order No.1

Order specific issues THE EAST LOTHIAN COUNCIL (NORTH BERWICK) (OFF STREET PARKING PLACES) ORDER No: 1

D1. Impact on business

A proportion of representations object to the introduction of parking charges on the basis that this would have an impact on the viability of businesses by deterring visitors to North Berwick. In most cases the objection actually reflects that the charges would discourage local residents from visiting the town as opposed to tourists.

There are a number of representations which give examples of towns where on street parking charges have been abandoned/reverted back from paid for parking to free following the introduction of paid for, these include Berwick-upon-Tweed Kirkaldy and Ayr, this issue is covered in C8 above.

A review of Northumberland council website shows there to be 20 car parks in Berwick-upon-Tweed including the station car park which has a £3.50 fee. The other car parks are free but have a maximum stay of between 1 hour and all day. On street parking looks to be free with the operation of a disc system to indicate your arrival time to enable enforcement through a single visit. On street permits are available for residents at a charge of £30 per permit, there is a limit of two permits per household, one being the main car and the second permit being a visitor permit.

Northumberland also operates a coastal car park scheme with some car parks being free and others with charges from £2.80 per hour and up to £13 all day.

Concern has been raised by residents that the proposed order does not allow for residents to park in the car parks without charge, requests have been received asking for the on street permits to be valid for use in the car parks.

This raises the issue as to the reason the car parks have been provided and if those carparks are oversubscribed by residents, this does not meet the objectives of increasing parking turn over for the benefit of the businesses within the town.

One respondent requested that the maximum stay in car parks should be 2 hours.

This matter was considered as part of the original consultation and the view of the community was to allow 5 hours parking.

D2. Displacement of vehicles

Concern has been raised around parking displacement, particularly as a result of the introduction of parking charges and that residents would be displaced from the car park during its hours of operation as the permit scheme prompted under Order No.4 does not include the use of off street car parks.

The displacement of holiday visitors (tourists) from the town centre is considered to be minimal. This is based on the fact that most holiday destinations have parking charges and there is a high level of acceptance of charges when visiting attractors.

The displacement of residents from the car parks will be a direct consequence of introducing parking charges, Order No.4 looks to compensate this by introducing the resident permit system which would give permit holders priority over on street visitor parking. There is an implied assumption that there is a right for residents to park within the car parks, which affectively implies that the car park is a personal asset. This does raise the issue as to the reason the particular car parks are provided, although this does not remove the responsibility of the driver to park in accordance with regulations or give the right to park within the car park or the public highway.

Long stay worker parking has not been addressed by the proposals and displacement of this group is expected.

There is a commitment to review the operation of the scheme if it is introduced and any problems of parking displacement can be identified, and remedial measures considered.

D3. Kirk Ports

Specific objections as to the reduction in parking bays within the Kirk Ports car park have been received. The objection is based on parking within the central area of the car park not being represented on the order plans.

The order plans reflect the bays currently marked in the car park. There are no bays marked in the central area of the car park. The car park is not of sufficient width to accommodate centre aisle parking. Vehicles parked in the central area can obstruct access to marked bays. This parking practice is not supported. This is not considered to be a qualified objection as the proposals do not reduce the number of marked bays within the car park.

D4. Imperial Car Park

The reason as to the provision of the different car parks covered by the order is fundamental to their ongoing use. In the case of the Imperial car park a section of the southern part of the car park is registered as common good land which has been raised in representations.

The land itself is not subject to a change of use as a result of the proposals and the designation of the land has been recognised with the surplus parking funds generated through parking on this land to be put back to the common good fund. It is unclear how this would meet the requirements for car parking surplus being ringfenced for enforcement and maintenance expansion of the parking scheme or transport related projects.

D5. Glebe Car Park

Concerns have been raised around parent drop off for the nursery school at 28 St Andrews Road.

The proposals promoted under the No. 4 order would not impact the drop off of children to the nursery. There currently is a planning condition preventing the use of adjacent roads for drop off with direction given to the use of the Glebe carpark promoted by Road Services.

The No.1 order which covers the use of the Glebe car park will directly impact parents as the No. 1 order directly conflicts with the planning condition instructing use of the car park for the nursery.

As the planning condition is specific in where the parents can park whilst drop off and pick up, this would incur a parking charge of 50 pence in the morning and 50 pence in the afternoon. This could be considered as penalising the use of the nursery. The drop off and collection parents and guardians at the nursery could be accommodated within the Glebe car park by the introduction of a 15-minute free parking period. This would apply to all car park users.

There has also been a suggestion due to the car parks location that this should have the same operational times as the Kirk Ports car park that is up to 45 minutes free with a charge for up to 75 minutes of £1.00 and up to 90 minutes £2.00 with a maximum stay of 90 minutes. The introduction of this limited charge structure may displace parking on to adjacent streets and would be a significant increase of 90-minute spaces over what is currently provided.

<p>Recommendation: <i>The proposal for the scale of charges for Glebe car park to be amended to allow a 15-minute charge free period is recommended</i></p>

D6. Castle Hill provision for disabled badge holders

Objections have been raised against charging at Castlehill car park that restricts disabled users.

The car park currently has an unbound surface, which makes it impractical to mark bays in the car parks in the same way as surfaced car parks. The order has been promoted on the basis of the activities within the curtilage of the car park as opposed to enforcement of specific bays. This practice is similar to the designation of coastal car parks.

The order makes allowance for vehicles with blue badge holders recognising the fact that there are no marked bays for blue badge holders in the car park. The Order allows them to park anywhere in the car park without charge or restriction on length of stay. This would apply to all vehicles with blue badges including motor caravans.

D7. Parking is a seasonal issue

A large proportion of representations linking both order 1 and order 4 raise a concern that the parking problems are seasonal and predominantly limited to

the summer period and charging should not be imposed outside of the seasonal peak period. The claim for no off season charging in some cases is supported by photographs showing car parks with ample available car parking spaces.

The introduction of an out of season parking incentive in the off-street car parks, could be based on a free period for parking for the period late October to March (winter clock hours) inclusive for the car parks of Imperial, Glebe, and Lodge car parks.

Recommendation: Allow free parking in Lodge, Imperial and Glebe Carpark from the last Sunday in October to the last Sunday in March.

Appendix E – Representations made Order No. 2

Order specific issues THE EAST LOTHIAN COUNCIL (NORTH BERWICK – HAUGH ROAD and SEWAGE WORKS) (OFF STREET PARKING PLACES) ORDER No: 2

E1. Opposition to permitting motor caravan (motorhome and campervan) parking

There is general appreciation of the introduction of restrictions on motor caravans, although in the case of the No.2 order for Haugh Road and the Sewage Works car parks there are still concerns around the number of potential motor caravans and the issue with motor caravan users disposing of their waste.

Both the Haugh Road and the Sewage Works car parks have no restriction on the class of vehicle or limit of stay and both have a loose unbound surface. This precludes the opportunity to mark formal bays and the scheme has been promoted on the basis that parking is within the limits of the car park. Plans have been developed to provide a bound surface to the car park which will enable the marking of bays. The time scale for funding and undertaking the works has not yet been programmed. The interim solution is a means of establishing the principal of charging for parking.

The scheme is not advocating camping and the issue around the disposal of human waste is not a consideration of the parking proposals as the orders promoted are specific to the control of parking by imposing a maximum stay for parked vehicles. The proposal addresses one of the main issues raised at previous consultations regarding motor caravans, specifically motor caravans staying for prolonged periods over several days.

E2. Promoting the car parks as camp sites

Multiple objections were made that the Council encourages the use of car park for camping.

The scheme is not advocating camping and the issue around the disposal of human waste is not a consideration of the parking proposals as the orders promoted are specific to the control of parking by imposing a maximum length of stay for parked vehicles. The maximum length of stay is 24 hours with no return within 24 hours.

One representation referenced an attempt by the Council to introduce a bylaw preventing overnight camping, which was turned down when the Council made approaches for the bylaw to be ratified. In addition, a further representation claims the car park was provided to accommodate day trippers. The proposal makes provision for day trippers and restricts any length of stay beyond 24 hours.

E3. Disposal of waste

The issue of disposal of waste from motor caravans and defecating in public has been a recurring theme in correspondence.

The issue around the disposal of wastewater should not occur as in general motor caravans have toilet facilities with suitable built in storage facilities and there are containers on the market to capture grey water waste. The inappropriate disposal of wastewater is a criminal offence and is subject to a £200 fixed penalty notice which can be attributed to the offending vehicle. This is not a matter of consideration under the scheme.

It is unclear if the issue of defecating in public is specific to motor caravan users or is in relation to other visitors to this area. Defecating in a public place is an offence under section 47 of the Civic Government (Scotland) Act 1982, it is understood this would be a police matter.

E4. Congestion due to only parking available for motor caravans

Objectors raised concerns that there is congestion associated with the use of the car parks by motorhomes.

The proposals do not look to address the issue of congestion but to manage the off-road parking areas provided at Haugh Road and the Sewage Works. The car parks are located down what is a long cul-de-sac of 1 km in length. The congestion appears to be concentrated at its eastern end, where a combination of parking and volume of vehicles causes problems during periods of high demand.

The No. 4 order proposes no waiting at any time restrictions on Haugh Road to help reduce the effects of the congestion although the only effective solution would be to control the number of vehicles able to access the road, including residents, delivery drivers, Glen Golf club users, etc. This in real terms is not practical due to the number of different users and the inability to physically stop drivers, when the purpose of the public road is to provide a right of passage.

As within many public facilities, car parks and on street parking operate on a first come first served basis. The current proposals look to maximise the parking opportunities as far as is practical given the condition of the car park. It is intended in due course to upgrade and enhance these car parks, providing designated marked parking bays to restrict and control further motor caravan parking. The proposals will not address the issues raised around congestion.

E5. Surface of car park – marked bays

There have been a number of representations around tighter controls on the use of the car park and the fact that no disabled bays are marked within them.

The car parks currently have an unbound surface which makes it impractical to mark bays in the car parks in the same way as surfaced car parks. The order has been promoted on the basis of the activities within the curtilage of the car park as opposed to specific marked bays.

The order makes allowance for vehicles with blue badge holders. Recognising the fact that there are no marked blue badge holders are able to park without charge or restriction on length of stay. This would apply to all vehicles with blue badges including motor caravans.

Further restrictions on the use of the car parks have been requested, which include the banning of overnight parking and the complete ban on parking by motor caravans. These further tightening of restrictions although presented as objections would be a significant additional restriction above the advertised order and would need an amendment to the order which would need to go through the consultation process. These are considered as not being material objection to the current proposed order as in real terms they support the introduction of restrictions on the use of the car park.

E6. Designation as Coastal Car Parks

Request have been received to include the Haugh Road and Sewage Works car parks as part of the Coastal car parks scheme.

The designation of these car parks has not been considered as part of the order making process. The basis for the designation would be to allow Coastal car park permit holders to park in the Haugh and Sewage Works car parks using their coastal car park permits. The North Berwick car parks historically have not been designated as Coastal car parks, but considered town car parks and this is seen to be outside the scope of the current proposals and not a material objection to the proposals.

There has been a request to ensure the car parks are more accessible and prioritise local residents, so to avoid competing with motor caravans or the imposition of a parking charge.

The introduction of a parking charge would apply to all users, which is considered to be fair as no group would be disproportionately disadvantaged. The car parks operate on a first come first served basis. This also supports the notion that the car park was initially provided for day trippers.

Previously, in consideration of Coastal car parks a two-tiered system was sought by consultees to favour local residents. This was reviewed and at that time rejected on the basis that tourists must not be treated differently from locals and the system should not favour a particular group.

Appendix F – Representations made Order No3.

Order specific issues THE EAST LOTHIAN COUNCIL (NORTH BERWICK) (COMMUNITY CENTRE & LIBRARY PARKING PLACES) ORDER No: 3

F1. General

Of the 75 representations received to order no3., 5 request clarification/additional information and, 67 were objections of which 4 were not qualified.

- 19 of the representations related to the proposals introducing unsafe parking arrangements, when the actual layout and number of parking spaces is not being changed.
- 13 related to the proposal disadvantaging older residents, although the proposal will aid access to these community facilities.
- 38 respondents indicate the parking charges, will harm local businesses. The location of the Community Centre and the Library are set out from the centre of North Berwick and this is not considered to be a material issue as in this case there are not any associated charges for parking.
- 24 representations indicated that the proposal will not address issues around motor caravans. The order is specific in removing general motor caravan use from the car parks with the need to authorise vehicle, which are visiting the facilities. These authorisations may include motor caravans. It is considered that the proposal for the No.3 Order fully address the issues of motor caravans.

F2. Discriminatory to blue badge holders

Representations have claimed that the proposals are discriminatory against blue badge holders as the order imposes a maximum stay of 2 hours for on them.

The length of stay for blue badge holders is not linked to being a visitor to the facilities. The intention is that blue badge holders requiring longer than the 2-hour limit whilst visiting the facilities can gain authorisation for extended periods on arrival. The proposals are therefore not considered to be discriminatory against blue badge holders.

The issue as to the ability to enforce the blue badge use has also been raised.

The proposal proposes to use automatic number plate recognition (ANPR) to monitor and enforce acceptable use of the facilities. Blue badge holders will be required to register on arrival to avoid number plate recognition enforcement.

F3. Denying the use of the community centre car park for visitors to Our Lady Star of the Sea church

Representations to the order for the Community Centre and Library car parks have been received. The representations specific the Community Centre car park and the restrictions on parking being operational on Sunday's when in

general the Community Centre is closed. There are also concerns with other times for the attendance at funeral service and other weekday events.

13 of the 66 objection referred to the fact that visitors to Our Lady the Star of The Sea Church located opposite the Community Centre on Law Road will be disadvantaged as visitors to the church use the Community Centre car park. In general, the Community Centre is not open on a Sunday, although for events such as Fringe by the Sea the car park is used on a Sunday.

The community centre car park is provided as part of the facility and signs are provided on entrance to the car park indicating the use of the car park is for centre users only. A point recognised by the Community council in their email dated 28 September. The introduction of the restrictions including Sunday supports the current signing provided at the entrance to the community centre.

It is acknowledged that the Community Centre in general is not used on a Sunday and this is the main time that there is demand by church goers. The scheme is primarily targeted at weekday use and there is the opportunity to authorise vehicles to park on a Sunday.

Sunday and potentially evening registration and authorisation could be used to accommodate those visiting the local church and could extend beyond church goers to include other users. Registration would provide contact information for those using the car park and notification to authorised vehicles as to when the authorisation is rescinded due to events could be given to those registered vehicles. The car park has 27 general parking bays and there would be a need to limit the number of authorised vehicles to ensure parking is not over subscribed.

The authorisation of vehicles not using the Community Centre facilities would give rise to an administration burden, which has not been accounted for in the order. Therefore, it should be recommended that authorisation is subject to an annual fee in line with the administration charge for the issue of health worker permits, which is currently set at £10 per year, but this mitigation would present a more onerous requirement on the user and not being advertised under the published order, the fee would not be admissible. This additional provision for permitting users would need to limit the number of authorised vehicles, which could extend beyond church goers.

Recommendation: *It is recommended that the number 3 order is made with an allowance for additional authorised vehicles. This will not require any material modifications to the advertised order.*

F4. Objection to parking charge and maximum stay

Objections to the introduction of parking charges at the museum and community centre have been received.

The proposals for order No.3 do not introduce a charge for parking.

There has also been a number of objections against the maximum length of stay of 15 minutes.

There is no restriction on the length of stay. A 15 minute grace period is allowed to register a vehicle. Registered vehicles will be limited to a maximum length of stay period based on the reason for their visit. There will be no associated charge for authorised vehicles.

An authorised vehicle will be restricted to the length of time based on its authorisation, that is the length of time to attend a course or event. In the case of the Community Centre, authorised vehicles will be those registered with the Community Centre. This will include staff and those visitors' undertaking courses or events. For the library, this will be a similar arrangement with authorised vehicles being staff and those members of the public who need a longer period of time whilst undertaking works or research in the library.

F5. Difficult to enforce

There have been several representations claiming the proposals will be difficult to enforce.

The enforcement is proposed to be through Automatic Number Plate Recognition (ANPR) cameras, which will register number plates of those vehicle entering and leaving the carpark. This will be cross referenced with the record of authorised vehicles. Those vehicles stay beyond the 15-minute grace period and not being registered or those vehicles which are authorised but stay beyond the authorised period will be subject to a penalty charge notice.

Appendix G – Representations Made Order No. 4

Order specific issues THE EAST LOTHIAN COUNCIL (VARIOUS ROADS – NORTH BERWICK) (PROHIBITION & RESTRICTION ON WAITING, LOADING & UNLOADING ETC), ORDER No: 4

There are a number of different themes of objection for the No. 4 order, in many cases the No. 4 order is not stated in the objection although the issues raised are clearly related to on street parking.

G1. Unnecessary burden on residents

The introduction of charging will place an unnecessary financial burden on residents, local businesses, and visitors, negatively impacting local businesses.

Representations referencing residents can be split into two distinct groups those who live within the zones and those who live within the town but not within the zone.

One issue raised for zone residents is the need to having to pay to park in front of their own home.

For those residents outside the zone or traveling in from outlying settlements, the imposition will see an additional cost to partake in sporting activities and clubs and activities held within the town.

G2. Public Right

It is claimed that the proposals will diminish the rights of people.

it is unclear if this is related to specific rights. It infers a right to park, although there are no rights to park on the public road or in Council car parks.

G3. St Baldred's Crescent

In the case of St Baldred's Crescent parking areas have been provided as part of the development, which are maintained as public road. It is claimed these were designed for resident's use.

St. Baldred's Crescent is a public road and maintained at public expense. No private parking spaces are recorded. The continued use of the parking spaces by resident's is maintained by virtue of them being included as part of the resident permit scheme, although these are not designated as resident only. There is no change to the status of the parking space.

G4. Deter visitors

There is a concern that the introduction of parking charges will deter visitors, such as tourists.

There is no evidence to suggest that parking charges reduces the number of tourists to towns when this has been implemented in other areas in Scotland.

Charging for parking helps to have a turnover of spaces, which would allow more people to visit the town and support the local economy.

G5. North Berwick Tennis Club

There have been a number of objections related to the impact parking charges will have on North Berwick Tennis Club. This is seen as being negative as this would discourage membership, discourage playing tennis, discourage parents from taking their children to coaching sessions, and generally discourage use of the facility.

It is stated that there is sufficient nearby free parking to meet demand, parking for 2 hours for a game of tennis and for drop off and collection of children attending coaching sessions. The proposals maintain the existing parking provision on the roads adjacent to the tennis club with the addition of a 50p per half hour charge.

Objections from residents of Glasclune Gardens have raised concern to the manner in which parents use the double yellow lines to drop off and pick up children attending the Tennis Club.

The boarding and alighting of passengers on yellow lines is permitted.

G6. Request for larger bays

There has been one request for the provision of a number of larger bays on street to accommodate larger vehicles.

The proposed bays on street will not be individual marked parking bays but bay lengths, this would not restrict access to parking bays for longer vehicles. The width of bays is restricted by the width of the available carriageway. Inappropriate widening of parking bays may impede the free flow of vehicular traffic.

G7. Disparity between on street and off-street length of stay

The issue of a longer permitted length of stay for on street parking when compared to off street car parks has been raised with the potential for visitors choosing to park on street rather than in car parks.

The length of Stay was subject to public consultation with options provided for public consideration. The length of stay is the recommendations made by the public through consultation. The maximum length of stay for the Glebe, Lodge and Imperial car parks is 5 hours, compared with Level 4 on-street parking of 6 hours. There is a likelihood that this concern could be realised. Consequently, the impact of this will be considered as part of the post implementation monitoring and review.

Recommendation: Monitor and review impact of parking disparity between off and on street parking.

G8. Displacement of vehicles

Concern has been raised over the potential for the displacement of vehicles as a consequence of parking charges.

It is acknowledged there is a potential for parking displacement. With the introduction of resident permits the displacement of parking by residents is expected to be minimal. The displacement of tourists from the town is also considered to be minimal as this group is more likely to use car parks over on street parking. The displacement of local visitor is also considered to be minimal as the scheme looks to maintain the current maximum parking within the central area of the town, although parking more than 45 minutes would incur a charge. Long stay worker parking has not been addressed by the proposals and displacement of this group is expected. There is a commitment to review the operation of the scheme if it is introduced and any problems of parking displacement can be identified, and remedial measures considered.

The main areas raised by objectors where displaced vehicular traffic is predicted to occur impacting the local road network are:

- St Baldred's Road – impacting access to health care and causing congestion.
- Law Road south of St Baldred's Road
- Displacement from around the station on to Dirleton Avenue, Ware Road, Links Road
- Displacement from Links Road on to York Road
- Displacement of motor caravans from Haugh Road to Abbotsford Road

Recommendation : To monitor and inspect the local road network to identify problems and mitigations as a result of parking displacement.

G9. Order clause

The order contains specific clauses in relation to the use of parking bays. One matter which has been raised in objections is the restriction of bays for the purpose of washing any vehicle other than is reasonably necessary to enable that vehicle to leave the parking place.

This phrase is a direct lift from the off-street parking bay restrictions and has been repeated in the on-street order for consistency. The clause looks to restrict the use of the road for the purposes of car maintenance. The clauses contain wording around repair and maintenance of vehicles, and consequently, the washing of a car as it is considered to be maintenance of a vehicle. Further review of the use of the restriction for control of on-street parking is not warranted. It is also considered the use of primary legislation, in accordance with paragraph 4 of the Clean Neighbourhoods and Environment Act 2005, the maintenance of vehicles for reward or gain is more appropriate.

Recommendation: the clause specific to washing of vehicles is removed on the basis that primary legislation addresses the

concern of inappropriate use of on street parking bays.

G10. Impact on Glasclune Gardens and Tennis Club

There have been a number of objections raised in connection with the proposals specific to Glasclune Gardens. One theme is that the layby provided adjacent to No. 1 Glasclune Gardens was provided for the benefit of residents when the eastern end of the road was developed. The layby is part of the adopted road with no restriction on its use.

There have been a number of representations from residents of Glasclune Gardens questioning the need for further parking bays within Glasclune Gardens and that the inset bays within Glasclune Gardens were specific for use by residents.

There has also been concern raised about the section of parking provided on the southern side of Glasclune Gardens and the section on the north side at its entrance. Safety concerns were raised as the layout of the parking bays introduce a chicane.

The parking chicane has been introduced to help reduce vehicle speed on what is a straight residential street and to maximise parking opportunity whilst taking account of existing vehicle crossovers and the need for forward visibility.

Concern has been raised on the number and extent of the parking spaces provided and the potential restriction to the use of the Lodge grounds via access St Baldred's Lodge, which is exacerbated by the proposed extension to the yellow lines opposite the property access.

The current proposals do not extend beyond No. 1 Glasclune Gardens. The current demand on Glasclune Gardens is generally low and the restrictions are to address potential parking displacement, which is not evidenced. It is recognised there is a change in character of the road beyond No. 1 Glasclune Gardens. This combined with the distance from town centre, on review is considered beyond the practical influence of the scheme. There is opportunity to review the need to extend the scheme if parking is displaced beyond the proposed parking bays.

Representations have also been received regarding parking availability for users of the Tennis Club within the recreation ground and the inconvenience and cost of the scheme for those visiting the club.

In the case of Glasclune Gardens properties have individual off-street parking provision and so are not reliant on the need for resident priority bays. One resident has raised concern that they park their vehicle on the road because they are a carer for disabled family members who could not otherwise access the vehicle if parked on their off-road provision. A Disabled Persons Parking Place (DPPP) can be sought to address their specific user needs.

Both Glasclune Gardens and Greenheads Road are on the periphery of the scheme limits and are remote from the immediate attractor of the town centre.

The removal of these roads from the provision of parking bays would go some way to addressing the concerns raised by the Tennis Club, although there would clearly be competition for available parking spaces as a result of displacement.

The removal of Glasclune Gardens from the scheme would address the representations made by residents, although may disproportionately impact the resident who relies on street parking for disabled access to their vehicle, however, alternative provision could be made upon request.

It is recommended to retain the roads within the zone but not introduce on street parking bays as proposed. There remains a risk that parking displacement will occur impacting Glasclune Gardens and Greenheads Road. There is a commitment to review the operation of the scheme and if there are any impacts that arise which require mitigation these could be considered as part of the review of the scheme. This is on the basis and understanding that changes would only be implemented if other mitigation measures for the scheme are required and that Glasclune Gardens and Greenheads road would not be subject to a specific standalone order.

<p>Recommendation: Remove the proposed parking spaces and yellow line provision from Glasclune Gardens and the parking bay provision on Greenhead Road from the advertised order with provision to review and monitor the impact of displacement on those roads from the scheme.</p>

G11. Extension of permit availability

There have been a number of requests for the availability of permits to be extended, these include:

- Permits being valid for all proposed zones
- Additional resident and short term let permits being available to all North Berwick residents including those in outlying villages
- Permits for staff
- The coastal car park permits being valid for North Berwick car parks.
- Permits available for members of North Berwick Golf Club

Permits being valid for all proposed zones

The scheme affectively replicates the current situation with respect of the central zone; that there is very limited on street parking opportunities within the central area. Consequently, residents rely on parking on adjacent roads, which is reflected in the central zone proposed permit being valid for both east and west zones. The scheme looks to promote more sustainable transport choices, and it is apparent from representations made that there is vehicular movement within the limits of the proposed zones, which could be undertaken by walking. One aspect is access to the station for potential east permit holders and access to the shops by west permit holders. The central zone acts as a buffer between the east and west zone with its very limited availability of on street parking and the short-term parking provision with the 45-minute free stay. The introduction of permits for all zones would be counterproductive in respect of modal shift as this would remove the incentive to walk or cycle.

Additional resident and short term let permits

The introduction of permits for short term lets was introduced following representations received as part of the 2023 order consultation. The number of permits has been limited as there is a concern that there would be excessive demand for on street spaces in direct competition with residents parking requirements.

The number of permits is limited to two per household, which in most cases is considered sufficient. The excessive issue of permits may disadvantage permit holders due to the permits being oversubscribed. There is a commitment to review the parking scheme if implemented and this issue can be included in the review and has the potential to increase this number should it be found that parking is underutilised.

Permits being available to all North Berwick residents including those in outlying villages

The context of request for permits for those visiting North Berwick are for on street parking, these requests have been particularly for users of the Tennis Club in the East zone and those undertaking regular trips to the town.

The east zone is limited in the number of available on street parking spaces available due to the majority of properties not having access to private off-street parking. The allowance of additional permits for the wider community is likely to place a higher demand on streets with residential parking which would disadvantage residents of those streets which the scheme looks to give priority.

Permits for staff

There have been request for business staff permits to support businesses with recruitment and retention of staff, protect low paid staff from the high cost of parking, reduce parking displacement and address concerns on late night return to parked cars some distance from the town centre to avoid personal safety issues.

The issue of staff permits raises concern as to car park occupation which will impact parking availability for tourists and local visitors along with permit fee and issue which could be open to abuse. The issue of additional on street permits would significantly disadvantage residents as there is a finite available number of on street spaces and concern has been raised in the east zone as to the ratio of properties to on street spaces. Therefore, any consideration for the issue of staff permits would be limited to potentially Glebe, Imperial and Lodge car parks.

Based on a 5-day working week the potential cost per year for parking could be £1300 with an allowance for holidays this would be reduced to £1175 assuming staff park for the maximum permitted time of 5 hours and pay the £5 fee. In real terms a staff permit would allow unrestricted parking which could potentially occupy car parking spaces otherwise available for tourists and local visitors. There is no indication as to the potential uptake of these permits or if the

business owner or staff would be the primary beneficiary. The other issue is around number of permits, clearly some shop premises operate with higher staff number than others and the over subscription of discounted staff parking could be detrimental, in the same way as limiting the number of permits for example 1 permit per business premises, it is unlikely that the lower paid members of staff would benefit. Alternatives such as an aggregated number of permits based on business size would be difficult to manage and there is a potential for a turnover of staff which again would present a challenge to manage.

A potential mitigation is to run a trial scheme for off season staff permits for the period October to March inclusive, this covers the wintertime where their workers are more likely to travel back to parked vehicle during hours of darkness. This could be limited to 2 permits per business at a discounted cost over the normal daily parking charge . The proposal for an off season no charge period in the Lodge, Imperial and Glebe Carpark. October to March, negates the need for such a provision.

The coastal car park permits being valid for North Berwick car parks

There have been specific requests for Coastal car park permits to be valid for the Haugh Road and Sewage Work car parks as well as more general request that the permits be valid for all North Berwick car parks where charging is proposed.

The car parks of Haugh Road and Sewage Works are not designated as coastal car parks nor are they proposed to be within the current orders. The car parks are currently generally oversubscribed and the inclusion of these car parks within the Coastal car parks permit is likely to generate complaints of the permit not being functional due to the very limited opportunities to park. If the current proposals free up parking capacity in these car parks this would give the opportunity to review the inclusion of these car parks within the coastal car parks scheme.

The wider use of Coastal car park permits for the car parks of North Berwick would potentially undermine the potential income from the car parks. The cost of a daily charge for coastal car parks is £3 with annual season ticket cost of £50 which effectively equates to 17 days parking. The inclusion of North Berwick car parks would significantly reduce parking income and increase the real value of a coastal car park season ticket. The cost of the permit could rise to offset the added value to be in alignment with a comparison to the current charge the cost of the permit would need to be £135 based on 17 days of coastal car park use and 17 days of North Berwick car park use. In real terms this doesn't reflect a fair use, assuming that a in general there could be 1 to 2 visits to North Berwick per week this would amount to between £260 and £520. Therefore, a level to provide a discount and provide for both town and coastal car parks would need to be considered at £440 that is the fee for current coastal car park use and an average of 1.5 North Berwick car park visits per week. Going forward with consideration of parking schemes in other towns similar request are likely to be forthcoming with a potential for request for wider acceptance of permits to cover all parking schemes.

Permits available for members of North Berwick Golf Club

There have been concerns raised by members of the North Berwick Golf Club and the need to pay to park on street to be able to play golf and the potential impact on visitors. The order has been amended to ensure the maximum stay will give sufficient time for the completion of a round of golf, the parking fee would be the standard £5. The cost has been suggested as being too high with playing 2 rounds of golf per week would attract an additional cost of £520 per year. There has been request that Golf Club visitors should be eligible for a free permit as the club has no car park and supports the local community by attracting visitors to the area.

In real terms the Golf Club is a business as is in the case of those retail business on the High Street, and the issue of permits to players could be considered the same as giving permits to customers of retail businesses.

The potential extension of the Coastal car parks scheme would give the opportunity for Golf Club members to purchase a permit, although the available car parks is not convenient for Golf Club users, this implies the need for west zone-specific Golf Club permit. The issue of permits for one user group such as the Golf Club would introduce a disparity for the likes of the Tennis Club and the Glen Golf Club where on street parking is very limited and the issue of permits above the resident permits is not tenable due to limited kerb space. It is therefore considered that the provision of Golf Club permits is also not tenable due to the potential of disparity between users in the wider North Berwick community. It is therefore proposed that the request for permits for golfers is not taken forward. There have been a number of representations from those residents which would be in the east zone who play golf at the North Berwick Golf Club wishing to be able to park without charge. The maximum walk distance from the east zone to the golf club is approximately 1.6km a walk time of 18 to 22 minutes. This when considered against the walk distance for a round of golf being 6 to 8km and a potential 5 hour play time, this does not appear to be overreaching acceptability for those within walking distance to consider a mode change to visit the Golf Club.

G12. York Road

A request to extend the scheme to cover the full length of York Road has been received, looking to address potential displacement from the Links Road area and to address concern with obstruction of property access due to inconsiderate parking.

The extension of the scheme to include the full length of York Road can be considered as part of the post implementation monitoring and modifications, if appropriate can be promoted as part of an overarching package of mitigations.

G13. Tantallon Terrace

As part of the consultation responses to Order No.1 requests have been received to make the parking bays outside the houses on Tantallon Terrace, resident only. The request is to address the competition on street with visitors to the area, at present residents have the option to park in Castle Hill car park without charge or limit of stay.

When considering Tantallon Terrace there are potentially 15 parking spaces fronting the properties on Tantallon Terrace, other shared bays are provided east of the Glen Golf Club. West of the properties is Marine Parade which has no waiting at any time restriction on the beach side and a daytime restriction on the property side.

In general properties on both Marine Parade and Tantallon Terrace have off street parking provision in the curtilage of their property. A review of Google Maps and the Register of Scotland (land) shows there are 10 properties on Tantallon Terrace with 9 having off street parking provision and the one without off street parking uses the access adjacent to the property for parking. This may be an underestimate due to some properties being split into flats but these would be under a single ownership footprint, i.e. shared drive. In the case of Marine Parade there appears to be 20 properties all of which appear to have off street parking facilities. In most cases the properties have access to more than one off street parking place.

Most properties that benefit from this request for resident only permit parking have off street parking facilities already available. A possible reason is there is high level of multiple car ownership in the area or alternatively this is an attempt to stop visitor parking outside their properties. The latter has an impact on parking availability and supply. As the result of this request parking bays would likely be underutilised and limited the supply for visitors in favour of resident who already have parking provision. It is recommended that the bays fronting the properties on Tantallon Terrace remain as advertised.

G14. Impact on residents

There are a number of objections to the No.4 order, which are on the basis that the resident parking permit element, which has an annual fee of £40, will not give priority to residents.

The £40 fee is to cover the administration cost of managing and issuing permits. The scheme does not guarantee any user a parking spaces, Priority is provided in that permit holders are not limited in their length of stay within the designated shared and permit holder only bays and are not subject to a daily charge which could be up to £5 per day.

G15. Equality between controlled parking zones

Objection has been raised around the disparity between the central and eastern zones and that parking in the eastern zone by central zone permit holders will disadvantage residents within the eastern zone.

The amount of available parking spaces within the central zone is very limited and it is recognised that those residents which are within the central zone parking in neighbouring streets or the town centre car parks. The operating times of the car parks will enable residents to park overnight within the car parks. There is no loss of parking bays within the central area and it is anticipated that residents will continue to park in the same manner as at present. In real terms

this arrangement is currently in place with town centre residents who are afforded a right to park on Forth street without limitation of time limit.

G16. Forth Street road safety concerns

The proposals to alter the parking on Forth Road have received two objections one stating that the proposals will result in the road being blocked and that visibility splays will be impacted and the second regarding access to Lorne Square being restricted due to parking opposite the access.

When developing the proposal consideration was given to the carriageway width and visibility splays. The proposals improve visibility splays to the right for vehicle exiting Lorne Square and maintains the visibility splays to the left for vehicles leaving Creel Court which are the primary visibility splays due to the road being one-way. The exit from Lorne Square with parking opposite will be no different from the current arrangement for vehicles leaving Creel Court.

It is acknowledged that visibility for vehicles and pedestrians crossing the end of Forth Street is reduced due to the extension of parking. The existing no waiting at any time restriction is maintained on the junction which helps addresses the issue of reduced intervisibility. The junction is controlled by a stop sign, which requires vehicles to stop, therefore the speed of approaching vehicles is low. The carriageway adjacent to the proposed parking bays is marked as three lanes, of which two lanes are to be maintained. The area has frontage development and with the introduction of waiting restrictions at the junction of Lorne Square, it is unlikely that the road is obstructed because of refuse collection, as stated in the representation.

F17. Melbourne Place/Victoria Road

A request to extend the central zone to include the spur of Melbourne Place which is an effective extension of Forth Street has been raised by one resident. This request is based on the density of housing in Melbourne Place and the limited number of available parking spaces immediately available.

Consideration of the request to re-draw the central zone boundary presents several challenges. The main concern is that an extension to include just the spur of Melbourne Place would significantly disadvantage residents of Melbourne Place on the link between Melbourne Road and Imperial car park. To rebalance this disadvantage a wider extension to address this issue would need to include Victoria Road and part of Melbourne Road. The geographic limit of the zone then becomes harder to define and has a wider impact on east zone parking availability for residents. Therefore, no changes to the zone boundaries are proposed.

Concerns have been raised by residents of Victoria Road that the limited-on street parking would be the first point for central zone permit holders to park if space wasn't available within the central zone. The number of parking places is retained in Forth Street with a marginal increase as a result of reallocation of road space. In real terms, as there are no time restrictions on the marked parking bays of Victoria Road and existing displacement from the current residential parking scheme, which is effectively the central zone would already be

impacting residents of Victoria Road. It is therefore considered that the implementation of the centre zones would not result in displacement from the central zone that would adversely impact residents of Victoria Road over and above the current situation.

G18. Impact on Golf Club

Objections have been received concerning visitors and members having to pay to park to visit North Berwick Golf Club.

The scheme was modified during the 2023 consultation with a 6-hour maximum stay to accommodate golfers to complete a round of golf, the revised proposals has increased the maximum stay for Pointgarry Road and Links Road to 23 hours. Concern that this will result in all day commuter parking has been raised in one representation.

There have been a number of representations highlighting the danger of stray golf balls for both Pointgarry Road and Tantallon Terrace.

It is noted that at both locations no signs are provided to warn highway users of the likely hood of stray balls nor are there measures provided such as fencing to protect against such occurrence. It is recommended that the Golf Clubs are contacted to bring their attention to concerns raised.

G19. No .4 Order Requested Modifications

Specific comments which request a modification to the order are considered below.

Introduction of less restrictive measure: One representation made several suggestions to reduce the proposed measures which included:

- Paid for parking introduced in only one car park
 - *This would significantly impact income and place additional demand on the free car parks*
- Exemption or free parking permits for local residents
 - *The permit scheme is limited to town centre residents as a wider issue of permits would potentially displace town centre residents from on street parking spaces.*
- The introduction of seasonal charges.
 - *The issue around seasonal parking are covered in D7 above*
- Paid parking along the beach and Glen golf club for recreational vehicles only
 - *The introduction of parking charges for one vehicle type is likely to displace those vehicles to other areas*
- An initial free of charge period of 90 minutes to support the High Street

- *The scheme provides a free of charge period of 45 minute around the High Street*
- minimising the paid zones to only the High Street or certain busy beach-front residential streets.
 - *The implementation of a limited paid for on street parking scheme will place additional parking burden on streets within the town centre and in competition with residents wishing to park.*

G20. Restrict maximum stay on Westgate in line with High Street parking proposal

Representations have been received by residents requesting the level 4 charges and times proposed for Westgate are brought into line with the restrictions on the High Street with a maximum stay of 90 minutes except permit holders, which will reflect the Level 2 charges. the first 45 minutes free between 45 minutes and 75 minutes £1 and up to 90 minutes £2.

The advertised proposal is for permit holders with paid parking at 50p per 30 minutes up to a maximum stay of 5 hours.

The representation has merit as this reflects the current limit on waiting and providing a consistent restriction for non-permit holders of a 90-minute maximum stay on Westgate. Westgate, effectively being a continuation of the High Street with business will provide a continuation of the High Street restrictions which is likely to benefit the businesses as a result of maintaining a turnover of parking as a result of the reduced maximum length stay.

Recommendation: It is recommended that the parking bays on Westgate are provided at Level 2 of scale of charges in line with the current maximum stay.

G21. Extend High Street non-chargeable hours

A representation supported by the business group has been put forward. It is noted that information has been provided that one business does not support the representation, although the reason for this has not been fully qualified and although it would appear that the business is against any form of charge. The representation does not withdraw the business groups objection to the introduction of paid for parking, although it is presented as a form of mitigation if parking charges are introduced. The proposal is the reduction of the chargeable hours on the High Street from 8.30am – 6.00pm to 10.00am – 4.00pm daily.

The advertised chargeable hours for the on-street parking places are 8.30am to 6.00pm Monday to Saturday and 1.00pm and 6.00pm on a Sunday. The received request is to reduce the chargeable hours to 10.00 am and 4.00pm.

For roads designated Level 1 and 2 the scale of charges is, no charge for the first 45 minutes. This applies to roads within the town centre which include the

High Street, Market Place, St Andrews Steet and Forth Street. In real terms the charging period for these roads is between 9.15am to 5.15pm. The introduction of a reduction of the charging period would reduce, the effective chargeable hours, due to the 45-minute free period to 10.45am and 3.15pm Monday to Saturday.

The weekday chargeable times with a commencement of 8.30am is unlikely to generate an income as these early trips appear to be associated with trades stopping off to pick up food and then moving on well within the 45 minute non chargeable period.

The change in the operating hours has been considered as part of the cost model and shows minimal impact to income. This is based on our assumptions that the majority of people are parking for under the 45 minutes or have permits.

In addition, the opening times of businesses on the High Street has been reviewed as far as is practical using the available information on the internet. This indicates that a small number of shops open before 8.30am these being food retail and the paper shop which attract short stay visits with the majority of shops opening at 10.00 am. For those businesses opening later for the 45-minute free period to be of real benefit the later commencement of chargeable period of 10.00am will allow a maximum free stay period to commence as these shops open, giving opportunity for these traders to benefit for from those who park before 10.00am being still present in the High Street until 10.45am when charging would effectively commence.

In the case of evening activity, the majority of shops close at 5 or 5.30pm therefore from 4.45pm would be effectively the last arrivals to realise the no charge period for shop visits.

The Sunday charging was set back to 1.00pm to give priority to those attending places of worship on a Sunday. The further reduction on a Sunday commencement appears disproportionate when considered against potential visitor arrivals and therefore the proposals for Sunday commencement of charging at 1.00pm is retained.

<p>Recommendation: It is recommended that the charging hours within order No.4 Schedule 15 for level 1, 2, 3 and 4 is modified to 10.00am and 4.00pm weekdays and 1.00pm and 4.00pm on Sundays</p>

G22. Resident permits

A clarification has been raised on the issue of resident permits for motor caravans. Residents with no off-street parking have motor caravan and is their primary vehicle. The parking bays prevents the use of on street bays for motor caravans, unless with written consent.

The issue of a resident permit for the use on a motor caravan could be considered as being consenting for the parking of a motor caravan in line with the order.

Recommendation: That the issue of resident permits to owners with motor caravans is ratified.

G23. Limited available kerb side space

Concern has been raised by residents in the east zone as to the limited amount of kerbside parking, particularly when compared to west zone.

The east zone has a high proportion of terrace type housing with no off-street parking facilities which results in high kerb side demand from residents. With less kerb space fronting each property compared with detached/semi-detached housing the demand on kerbside space is increased. There is no opportunity to increase kerbside space is limited but could be achieved through converting some areas of no waiting 8.30am-5.30pm on Marine Parade to shared resident or resident only bays. As this would be a material change in the order, this may be considered as part of any mitigation measures if the proposed order is introduced.

G24. Order No. 4 seasonal variation

There has been a general theme in representation as to the seasonality of parking within North Berwick with July and August acknowledged generally in representations as to the time of year with most significant strain on parking resources, which has a direct impact on areas outside of the proposed zones when residents are disadvantaged.

The general theme is that parking restriction/charging is not need outside the summer period although due to generality of a lot of objections it is unclear if this is specific to car parks or also applies to on street parking demand.

As covered above in G23 concern has been raised that there is insufficient kerbside space for resident demand, if this is the case this would not be a seasonal issue as residential demand is not seasonally based.

The mitigations under proposed under D7 would reduce out of season on street parking if on street parking charges are retained, as unlimited parking would be free between March and October which would encourage the use of car parks over on street parking bays.

Appendix H

Car Park - Background information

Existing Situation

Four, off street car parks are available within a 5-minute walk of the town centre and a further two within 10 minutes.

Car parks with 5-minute walk time

- Kirk Ports car park – Law Road,
- Glebe car park – St Andrews Street,
- Imperial car park – Quality Street,
- The Lodge car park – East Road,

Car parks within 10-minute walk time

- Castle Hill car park – Tantallon Terrace North Berwick.
- Recreation Ground/Rugby Club – East Road

Additional off street car parks are available at the Community Centre and the Library, specifically provided for the use of these facilities.

The North Berwick Station carpark is managed and maintained by Scotrail and is provided predominately for use by commuters. Currently, no restrictions apply. Parking frequently over spills on to the surrounding streets. East Lothian Council is in conversation with ScotRail on the future use of the ScotRail car park.

Kirk Ports car park – Law Road

The car park is adjacent to the High Street which is accessible via a pedestrian path which runs to the west side of the car park.

Glebe car park – St. Andrews Street

The land was purchased circa. 1974 for the purpose of providing a car park for increasing parking demand from local visitors and tourists. It was provided to manage an growing seasonal parking demand.

Imperial car park – Quality Street

The car park has been through a series of developments. Melbourne Place (Lane) was a lane connecting East Road to Melbourne Road with development on both sides. This effectively still exists with the southern end of the car park, which is bollarded off with access for pedestrians. The 1933 map shows the area behind the hotel fronting Quality Street being opened out for parking this is confirmed by an ariel photo of 1953. The photo also confirms the car park at this time had not been extended to the east as a building exists or has been extended to the area which is designated as common good land.

The Lodge Car Park – East Road

The Lodge Car park was extended in 2009 to incorporate Gardeners' Garden car park. The Gardeners' Garden site has pay and display parking for the Seabird Centre parking.

The Gardeners Garden part of the Lodge car park is subject to a long-term lease to the Sea-bird centre to meet the predicted visitor numbers, consequently the site has been leased and that East Lothian Council takes no income from this site.

Castlehill, Sewage works and Haugh Carparks.

A proposal to reconstruct and adopt two car parks (Castlehill and Sewage Works) was consulted on in 2014, including introducing a TRO to stop overnight parking. A planning application was made in 2016 to upgrade, adopt and enforce the Castlehill and sewage works car parks but was opposed and the proposals were deferred indefinitely. The sites are currently unmade and not maintained by the Roads Authority. Proposals to upgrade and designate parking spaces are currently being explored now.

Recreation Ground/Rugby Club – East Road

The Recreation Ground car park at the rugby club was upgraded in 2013 primarily for long stay parking and coach parking.

Appendix I - Comparison of parking charges

Off Street																	
Period of stay	North Berwick (Proposed)		Perth and Kinross (Rural)		North Ayrshire Largs		Highland Council Fort William		Ayrshire Tariff A		Northumberland		Cornwall Council		East Suffolk		Rother Sussex
	Kirk Ports	Others	Dunkeld	Blairgowrie	Sea Front	Bellmans	An Aird No.2	Middle Street	East	South	Amble	Berwick	Hayle Com, Rd	Penryn (short)	T4	T5	
15 min.			£0	£0													
30 min.		£0.50						£0				£0		£0.60			
45 min.	£0																
1 hour		£1.00	£1.30	£1.30	£1.00	£1.50		£1.00	£1.30	£1.00		£0	£1.10	£1.10			£1.00
75 min.	£1																
1.5	£2	£1.50										£0					
2 hours		£2.00	£2.40	£2.40		£2.00	£2.00		£2.30	£2.00	£1.00	£0	£2.10	£2.10	£1.50	£1.00	£2.00
2.5 hours		£2.50										£0					
3 hours		£3.00			£3.00			£2.00		£3.00	£1.50	£0	£3.20	£3.20			
3.5 hours		£3.50										£0					
4 hours		£4.00	£3.60	£4.00		£3.50	£3.00		£3.00	£4.00		£0	£5.00		£3.00	£2.00	£4.00
4.5 hours		£4.50										£0					
5 hours		£5.00										£0					
8 hours		£5.00															
10 hours			£5.30	£5.80			£4.00										
All day					£5.00		£5.00		£4.00	£5.00	£3.00	£0	£6.30			£4.00	£5.00
Monthly																£65.00	
Annual									£410.00	£432.00			£302.40			£650.00	£321.50

On Street								
Period of stay	North Berwick (Proposed)		Perth and Kinross Crieff	Edinburgh		Northumberland	Rother Sussex	Tonbridge (Kent)
	Level 1&2	Level 3,4 &7		South Queensferry	George street etc,	Berwick	Rye	
15 min.	£0		£0			£0	£0.15	
30 min.	£0	£0.50	£1.00			£0	£0.25	£0.80
45 min.	£0					£0		
1 hour		£1.00	£1.60	£1.30	£8.20	£0	£0.45	£0.60
75 min.	£1							
1.5 hours	£2	£1.50						
2 hours		£2.00		£2.60	£16.40		£0.90	£1.20
2.5 hours		£2.50						
3 hours		£3.00		£3.90	£24.60			
3.5 hours		£3.50						
4 hours		£4.00		£5.20	£32.80			
4.5 hours		£4.50						
5 hours		£5.00		£6.50	£41.00			
6 hours		£5.00		£7.80	£49.20			

Appendix J- North Berwick Financial Model

Introduction

J1. This section outlines how income and cost implications of the proposed parking orders in North Berwick have been estimated.

J2. The financial model developed by East Lothian Council to assess the income and cost implications of the original orders in 2023 has been reviewed by Stantec to provide reassurance that the approach is reasonable and robust. Based on this review we have made a number of changes to the model and assumptions used to forecast income and costs of the proposed parking charges.

J3. Using the existing model as a starting point, Stantec have developed a new financial model for the project using the FAST financial modelling standard. FAST is an acronym that stands for Flexible, Appropriate, Structured, and Transparent. It's a set of guidelines and best practices used in financial modelling and data analysis. The FAST standard is designed to produce models that are both easy to create and simple to understand, enhancing their reliability and usability. The approach taken to assess North Berwick parking orders is repeatable for other towns in East Lothian.

J4. By taking this approach, the model has allowed us to test the following scenarios:

- Scenario 1 - 2023 Business Case – Based on North Berwick Variation No.2 Order and using the assumptions and approach taken previously by ELC in 2023.
- Scenario 2 – Based on draft Traffic orders produced in May 2024 for North Berwick excluding proposed changes outlined below. This uses updated assumptions and approach as outlined in Appendix 1.
- Scenario 3 - Based on draft traffic orders produced in May 2024 for North Berwick including proposed changes outlined below. This uses updated assumptions and approach as outlined in Appendix 1.
- Scenario 4 - Based on suggested modifications to traffic orders outlined in clauses 3.33 – 3.45 Update of North Berwick Traffic Orders – Council report December 2024 for North Berwick. This uses updated assumptions and approach as outlined in Appendix 1.

Income

J5. Appendix 1 visualises how the approach to estimate income had been adapted by Stantec. In summary the new model:

- estimates income and cost on monthly basis rather than an annual basis. As part of this change, we have used monthly parking demand data from St Andrews in Fife to baseline demand over the year.

- assumptions have been updated to reflect changes to latest on-street and off-street parking orders drafted by Stantec. This includes:
 - Introduce visitor permits to address issue for visitors and tradespeople for residents with areas of maximum stay times
 - Forth Street - Changes to parking bay layout eastern end. (2 additional bays)
 - Melbourne Place – Reduction in length of no waiting at any time restriction. (3 additional bays)
 - Balfour Street – Reduction in length of no waiting at any time restriction. (1 additional bay)
 - Provision of shared use bays in York Road and the change from permit only bays in Link Road to shared use bays.
 - Introduction of weekly season parking tickets.
 - Introduction of additional waiting restrictions.
- estimate resident permit sales using census data and ensure this is considered in the availability of spaces in each zone. This ensures income is not overestimated especially in the central zone where we expect there to be significant demand for parking permits. This demand alongside high levels of home working in North Berwick means there is likely to be high levels of demand for resident permits and high levels of utilisation of these permits throughout a given day.
- estimates income from the sale of permits for household visitors and trades persons (only in scenario 3) by estimating that each household will receive an approximated number of visitors per month. These household visitor numbers are adjusted by the day of the week, seasonality, and likelihood of using a private off-street parking space.
- estimates income from the sale of holiday let permits (only in scenario 3) using the number of holiday lets recorded in the 2011 Census and monthly occupancy rates of self-catered accommodation recorded by the Scottish Accommodation Occupancy Survey. The occupancy is adjusted by the estimated availability of private off-street parking and expected car usage by holiday let users to determine permit sales.
- estimates enforcement income by applying an infringement rate to the expected number of users for each parking location, thereby determining the number of non-compliant parking acts per day. An enforcement rate is then applied to this value to estimate the number of non-compliant parking acts that are issued with penalty charge notices (PCNs).

J6. Table 1 outlines the expected annual income for the three different scenarios tested. Table 1 presents a breakdown of the impacts on estimated revenue of the different mitigations as described in j4. above to test the viability of the proposals from initial business case development to Scenario 4 that includes the impact of all material recommendation described in this report. The analysis shows a slight decrease overall between what was reported in the business case and the scenario 2 tested in the updated model. The changes proposed in Scenario 3 have led to increase in revenue associated with the parking measures. This increase is mainly as result of the proposed premium zones and inclusion of visitor and holiday let permits. The changes lead to higher turnover of spaces in the central zones and result both charging income and enforcement increase as a result.

J7. Our revised methodology produces similar income estimates as the original 2023 business case. This alongside the steps taken to enhance the robustness of the approach and assumptions, strengthens the financial case.

Table 1: North Berwick income from parking measures

		Scenario 1	Scenario 2	Scenario 3	Scenario 4
On-street	Parking Charges	£1,368,284*	£594,806	£905,333	£688,991
	Enforcement Income	£83,853*	£146,895	£307,765	£234,220
	Resident Permit Income	£26,320*	£32,775	£39,807	£39,895
	Household Visitor Permit Income	-*		£11,936	£11,503
	Holiday Let Permit Income	-*	-	£57,224	£56,943
	Total	-*	£774,476	£1,322,065	£1,031,552
Off-street	Parking Charges	-*	£500,951	£499,385	£239,384
	Enforcement Income	-*	£100,004	£150,085	£71,990
	Total	-*	£600,955	£649,470	£311,374
Total	£1,478,457*	£1,375,431	£1,971,535	£1,342,927	

*On-street and off-street incomes were calculated together.

Cost

J8. Capital and operating costs associated with the delivery of the required infrastructure and personnel to enforce the proposed parking measures have been estimated. The capital and operating cost estimates are based on current costs for NSL supplying Decriminalised parking enforcement in East Lothian.

J9. The capital costs are based on the following items and assumptions:

- Parking Charge Machines – 40 machines at £1,400 per machine
- Streetworks associated with Parking Charge Machines - £5,000 per machine
- Cost of signs and roadmarkings per km of kerb - £550 per km
- Residents scheme set up - £30,000
- ANPR cameras - £30,000
- Office fit out, furnishings and telephone connection - £5,250
- IT Equipment (PC's, printers) - £1,675
- IT Equipment (HHCT printers, camera and phones) - £1,722
- Residents scheme system operational and upgrade - £3,000
- Publicity around new parking orders - £2,000
- Training cost – is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.

The operating costs are based on the following items and assumptions:

- Parking Attendants – £25,960 per attendant
- Consumables (fuel, office supplies, replacement uniforms, etc) - £10,357 per annum
- Notice processing software (SiDem) - is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.
- Parking Attendant Uniforms - £500 per attendant
- Small van lease - £200 per month
- Parking Manager - is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.
- Client Account manager - is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.
- Enforcement manager - is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.
- Operations support Manager - is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.
- Business intelligence Analyst - is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.

- IT Officer - is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.
- Training Officer - is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.
- Admin Assistant - is already included in the current costs for NSL supplying Decriminalised Parking Enforcement in East Lothian so there will be no additional costs.
- Senior Area Officer Grade 10 – cost of £65,826 to be split equally across the 6 towns in East Lothian where parking measures are proposed.
- Area Officer Grade 8 – cost of £50,572 to be split equally across the 6 towns in East Lothian where parking measures are proposed.
- Back office processing - £13,183 per annum
- Adjudication Service - £867 per annum
- Unexecuted bailiff actions - £1,120 per annum
- DVLA correspondence and owner tracing - £180 per annum

J10. Stantec have reviewed the approach taken as part of the 2023 business case and suggested the following changes:

- Propose more parking attendants to enforce parking restrictions. The business case originally proposed two additional attendants. Stantec recommend that this increase to 5 to ensure enforcement can be carried out effectively.
- Inclusion of a 23% risk allowance for both capital and operating costs. This is based on guidance outlined in the DfT's TAG unit A1-2. The unit suggests an optimism bias adjustment, must take an 'outside view' where the uplift amount is based on statistical modelling of similar projects, such as using reference class forecasting (RCF). Our assumption uses the P(Mean) value at Outline Business Case stage for Road projects from the DfT's Optimism Bias workbook which contains the RCF curves produced by Oxford Global Projects.

J11. Table 2 below outlines the expected capital and annual operating costs for the three scenarios tested and the original income projection. There is an increase in capital costs in Scenarios 2 and 3 compared to Scenario 1 due to the addition of risk into the cost estimates. There is also increase in operating costs in Scenarios 2 and 3 compared to Scenario 1. This is as result of the proposed increase in parking attendants from 2 to 5, as well as the inclusion of risk into the cost estimates.

J12. There is no difference in capital and operating costs between the Scenario 2, 3 and 4 as the changes between the scenarios only impact income. The proposed modifications in scenario 4 are deemed to have no material impact in terms of capital and operating costs.

Table 2: North Berwick capital and operating costs from parking measures

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Capital Costs	£449,481	£440,362	£440,362	£440,362
Capital Costs (inc Risk)	-	£541,645	£541,645	£541,645
Annual Operating Costs	£94,870	£184,617	£184,617	£184,617
Annual Operating Costs (inc Risk)	£116,690	£227,079	£227,079	£227,079

Income position

J13. Table 4 outlines the income and annual revenue costs with an income position for recommended scenario.

Table 3: North Berwick capital and operating costs from parking measures

		Scenario 4
On-street	Parking Charges	£688,991
	Enforcement Income	£234,220
	Resident Permit Income	£39,895
	Household Visitor Permit Income	£11,503
	Holiday Let Permit Income	£56,943
	Total	£1,031,552
Off-street	Parking Charges	£239,384
	Enforcement Income	£71,990
	Total	£311,374
Total		£1,342,927
Annual Operating Costs (inc Risk)		£227,079
Net income position		£1,115,848

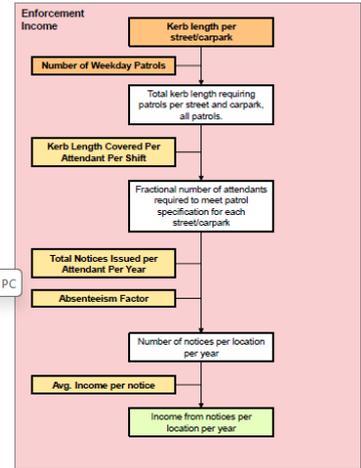
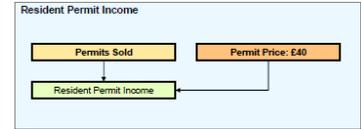
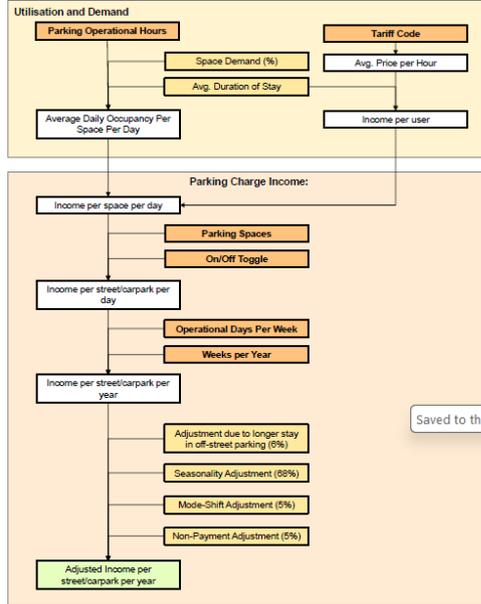
*On-street and off-street incomes were calculated together.

Appendix 1

Previous Model (Scenario 1) Income Calculations (On-Street and On-Street)

Legend: Defined Input Assumption Intermediate Calculation Output Income Calculation

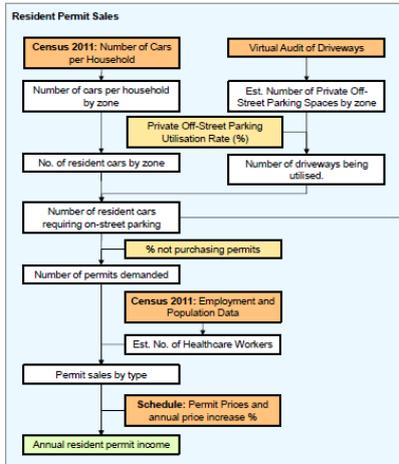
Assumption:	Basis:
Space Demand (%)	Set at 80% for all locations. Business case uses survey data for space demand.
Avg. Duration of Stay	Set at 90mins for all locations. Business case uses survey data for average stay duration.
Adjustment due to longer stay in off-street parking (6%)	Not seen the evidence or basis for this figure.
Seasonality Adjustment (88%)	Based on the data and estimations of parking demand across North Berwick through the year, the mean demand is calculated to be 88%.
Mode-Shift Adjustment (5%)	Not seen the evidence or basis for this figure.
Non-Payment Adjustment (5%)	A value of 5% is used in the model, but not seen the evidence or basis for this figure. Business case has a 9.64% value, which is based on
Permits Sold	A value of 1000 is used in the model, but not seen the evidence or basis for this figure. Business case uses a value of 658, based on census data and driveway estimates.
Kerb Length Covered Per Attendant Per Shift	Not seen the evidence or basis for this figure.
Total Notices Issued per Attendant Per Year	Not seen the evidence or basis for this figure.
Absenteeism Factor	This is applied to the notices issued to account for parking attendants being absent. Not seen the evidence or basis for this figure.
Avg. Income per notice	Set at 50% of the PCN rate before April 2023 (£20).



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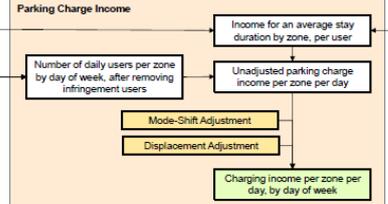
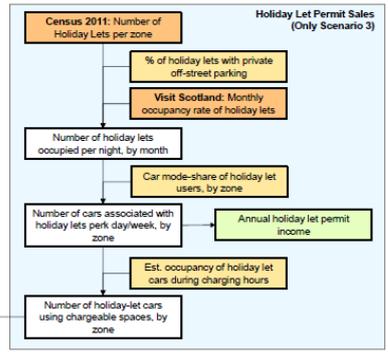
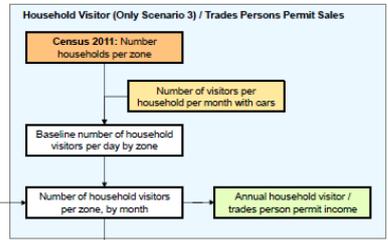
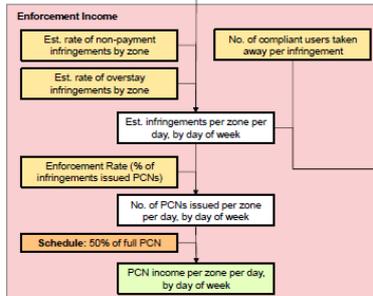
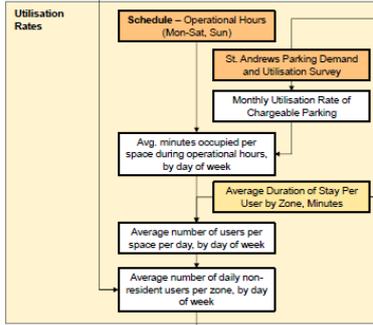
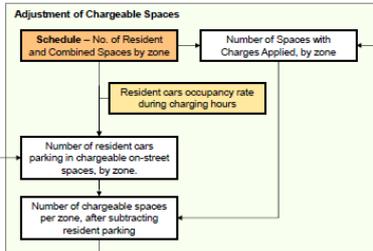
Proposed Income Calculations (On-Street) – Scenario 2/3/4

Legend: Defined Input Assumption Intermediate Calculation Output Income Calculation



Assumptions and Basis:

Assumption:	Basis:
Private Off-Street Parking Utilisation Rate (%)	Professional judgement of driveway use patterns from a virtual examination.
% not purchasing permits	Professional judgement on potential for reduction in car usage.
Resident cars occupancy rate during charging	Reflecting 2011 Census commute and data, changing home-working patterns.
Est. rate of overstay or non-payment infringements by zone	Professional judgement based on charging periods, surrounding land-uses, and expected use patterns.
Enforcement Rate (% of infringements issued PCNs)	Professional judgement based on density of parking location and surrounding land-uses.
No. of compliant users taken away per infringement	One non-paying infringement removes one user from charging income calculation. One overstaying infringement removes 2/3rd of a user from charging income calculation, due to part payment.
Adjustment in users from displaced parking/mode-shift	Reflects academic evidence in other case studies environments (Marsden, 2005).
Average Duration of Stay Per User, Minutes	Based on survey of parking patterns in North Berwick and proposed charging periods.
Number of visitors per household per month with cars	Professional judgement based on demographic characteristics of local area and likely behaviour.
% of holiday lets with private off-street parking	Based on virtual examination of holiday-let listings and satellite imagery.
Car mode-share of holiday let users, by zone	Based on virtual examination of size of holiday-let listings and likely target tourists' demographics for holiday let users.
Est. occupancy of holiday let cars during charging hours	Professional judgement based on likely travel behaviour of tourists in East Lothian

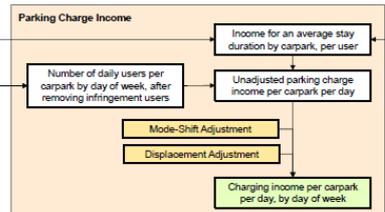
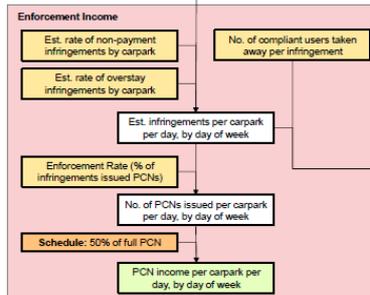
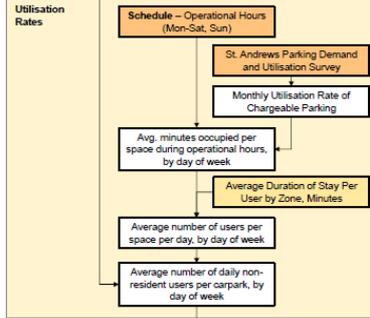
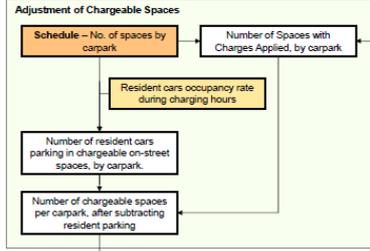


Proposed Income Calculations (Off-Street) – Scenario 2/3/4

Legend: Defined Input Assumption Intermediate Calculation Output Income Calculation

Assumptions and Basis:

Assumption:	Basis:
Est. rate of overstay or non-payment infringements by zone	Professional judgement based on charging periods, surrounding land-uses, and expected use patterns.
Enforcement Rate (% of infringements issued PCNs)	Professional judgement based on density of parking location and surrounding land-uses.
No. of compliant users taken away per infringement	One non-paying infringement removes one user from charging income calculation. One overstaying infringement removes 2.0hrs of a user from charging income calculation, due to part payment.
Adjustment in users from displaced parking/mode-shift	Reflects academic evidence in other case studies environments (Marsden, 2006).
Average Duration of Stay Per User, Minutes	Based on survey of parking patterns in North Berwick and proposed charging periods.



REPORT TO: East Lothian Council

MEETING DATE: 10 December 2024

BY: Executive Director for Corporate Resources

SUBJECT: Retiral of Chief Executive – February 2025

7

1 PURPOSE

- 1.1 The purpose of this report is to advise Council of the resignation and retirement of Monica Patterson, from the post of Chief Executive of East Lothian Council, to take effect from Sunday 16 February 2025.
- 1.2 The report sets out arrangements for the forthcoming recruitment campaign to secure a new Chief Executive/Head of Paid Service for East Lothian Council and asks Council to appoint members of the Chief Officer and Head Teacher Appointments Sub-Committee.
- 1.3 The report also details proposed interim arrangements to be put in place following the Chief Executive's departure and prior to a new Chief Executive taking up post.

2 RECOMMENDATIONS

- 2.1 To note the content of this report.
- 2.2 To appoint the Council Leader, Councillor Hampshire; Provost, Councillor McMillan; Depute Leader of the Council, Councillor Ahktar; Councillor Jardine; and Councillor McGuire as the Chief Officer and Head Teacher Appointments Sub-Committee.
- 2.3 To note that, following departure of Monica Patterson as Chief Executive, there will be a period whereby there is an absence of the Chief Executive (Head of Paid Service) and therefore to delegate authority to the Head of Corporate Support, following consultation with the Council Leader and political group leaders, to put in place interim arrangements to cover the role of Chief Executive (Head of Paid Service) for this absence prior to a new Chief Executive taking up position.

- 2.4 To approve the appointment of Head of Corporate Support as interim Returning Officer for East Lothian.

3 BACKGROUND

- 3.1 On 25 November 2024, Monica Patterson, Chief Executive, submitted her resignation, intimating that she would seek to retire at the end of her 12-week contractual notice period on Sunday 16 February 2024. The Leader of the Council has accepted Mrs Patterson's resignation.
- 3.2 The Local Government and Housing Act 1969, Section 4, requires the Council to designate a person as 'Head of Paid Service'. This is a statutory function conducted by the Chief Executive.
- 3.3 The Council Leader has instructed the Head of Corporate Support, supported by the Service Manager for People & Council Support, to progress arrangement to appoint a new Chief Executive. The Council has commissioned SOLACE in Business to assist with the recruitment campaign.
- 3.4 The recruitment of the new Chief Executive will follow the Chief Officials appointments process and the appointment will therefore be made by the Chief Officer and Head Teacher Appointments Sub-Committee in accordance with the Council Scheme of Administration. It is proposed that the cross-party Sub-Committee will comprise the Council Leader, Councillor Hampshire; the Provost, Councillor McMillan; Depute Leader of the Council, Councillor Ahktar; Councillor Jardine; and Councillor McGuire.
- 3.5 The recruitment campaign is due to commence in the week commencing 9 December 2024 with a view to securing an appointment of a permanent Chief Executive in advance of Mrs Patterson's retirement.
- 3.6 Depending on the successful candidate's personal circumstances and notice period, there will be a period whereby there is an absence of the Chief Executive (Head of Paid Service) and, therefore during such period, interim arrangements to cover this role will be required. To ensure fairness for any potential internal candidates planning to apply for the post, Council is recommended to delegate authority to the Head of Corporate Support following consultation with the Council Leader and political group leaders to agree interim arrangements to be put in place following the Chief Executive's departure. A further report on this matter will be brought to the meeting of Council in February 2025 to advise of the outcome of the recruitment campaign and to propose further interim arrangements, if required. Indicative recruitment timelines have been set out below.

Recruitment campaign opens	w/c 9 December 2024
Recruitment campaign closes	20 January 2025
Short leet meeting	w/c 27 January 2025

Assessment centre/final interviews w/c 3 February 2025

Latest offer to preferred candidate w/c 3 February 2025

Pre-employment checks will then have to be conducted. Most external candidates at this level would be required to give a minimum of three months' notice from the date a formal offer is made. It is therefore possible a new Chief Executive may not be able to assume post before May 2025. The report to Council in February 2025 would seek agreement from Council for interim arrangements for this period should this be required.

- 3.7 The Head of Corporate Support is currently the Depute Returning Officer, and the staff who work on elections sit within her service; therefore, it is recommended that Council agree to appoint her as the interim Returning Officer for East Lothian. The February 2025 report to Council will seek agreement on further interim arrangements, if required, or permanent arrangements.

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 – The costs of SOLACE in Business support plus any outlays, e.g. psychometric testing analysis, is estimated to be in the region of £12,000 and will be met from the existing staffing budget for the Chief Executive.
- 6.2 Personnel – The terms and conditions of employment applicable to the post of Chief Executive are enshrined within the SJC Conditions of Service for Chief Officials and the salary is nationally determined with other local terms and conditions applying in accordance with East Lothian Council employment policies. The Service Manager for People & Council Support will coordinate and administer the entire recruitment and selection process, reporting to the Leader through the Head of Corporate Support.
- 6.3 Other – None

7 BACKGROUND PAPERS

7.1 None

AUTHOR'S NAME	Paul Ritchie
DESIGNATION	Service Manager People & Council Support
CONTACT INFO	01620 827767 pritchie@eastlothian.gov.uk
DATE	26/11/2024

REPORT TO: East Lothian Council

MEETING DATE: 10 December 2024

BY: Executive Director for Council Resources

SUBJECT: Submissions to the Members' Library Service,
14 October to 24 November 2024

8

1 PURPOSE

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

2 RECOMMENDATIONS

- 2.1 Council is requested to note the reports submitted to the Members' Library Service between 14 October and 24 November 2024, as listed in Appendix 1.

3 BACKGROUND

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

4 POLICY IMPLICATIONS

- 4.1 None

5 INTEGRATED IMPACT ASSESSMENT

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

6 RESOURCE IMPLICATIONS

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

7 BACKGROUND PAPERS

- 7.1 East Lothian Council's Standing Orders – 3.4

AUTHOR'S NAME	Lel Gillingwater
DESIGNATION	Team Manager – Democratic Services & Licensing
CONTACT INFO	lgillingwater@eastlothian.gov.uk x7292
DATE	25 November 2024

**MEMBERS' LIBRARY SERVICE RECORD FOR THE PERIOD
14 October to 24 November 2024**

Reference	Originator	Document Title	Access
96/24	Head of Education	Sustainable Hourly Rate for Funded Providers Delivering Early Learning and Childcare in East Lothian, August 2024	Public
97/24	Head of Infrastructure	Assignment of the Ground Lease, Belhaven Bay Holiday Chalet Park, Dunbar	Private
98/24-126/24	Head of Corporate Support	Musselburgh Flood Protection Scheme – Appendix A:1-29	Public
127/24	Head of Corporate Support	Musselburgh Flood Protection Scheme – Appendix B	Public
128/24	Head of Corporate Support	Musselburgh Flood Protection Scheme – Update on Scheme Notification Process Correspondence	Public
129/24	Executive Director for Place	Former Cockenzie Power Station Site Technical Appraisal	Public
130/24	Executive Director for Place	Local Heat and Energy Efficiency Strategy	Public
131/24	Executive Director for Council Resources	2024 East Lothian Residents Survey	Public
132/24	Head of Infrastructure	Alderston House Sale - Update	Private
133/24	Executive Director for Council Resources	SRR - Redesign of Instrumental Music Service	Private
134/24	Head of Infrastructure	Assignment of the Ground Lease, Belhaven Bay Holiday Chalet Park, Dunbar (2)	Private
135/24	Executive Director for Council Resources	SRR – Review of Content Officer	Private
136/24	Head of Development	Response to Scottish Government's Infrastructure Levy Discussion Paper	Public
137/24	Head of Children's Services	East Lothian Council Response to Stage 2 consultation of the National Care Service Bill	Public
138/24	Head of Infrastructure	Sale of The Abbey, North Berwick	Private
139/24	Head of Corporate Support	Establishment Changes for October 2024	Private
140/24	Head of Corporate Support	Quarterly Customer Feedback Reporting	Public
141/24	Head of Development	Edinburgh and Southeast Scotland City Region Deal – Annual Report	Public
142/24	Head of Development	Enabling Works and Link Road at Former Cockenzie Power Station Site Contract Award	Public
143/24	Head of Housing	Strategic Housing Investment Plan 2025/26-2029/30	Public
144/24	Head of Development	Edinburgh Innovation Hub Update <i>Note: largest files can be found in Councillors/Edinburgh Innovation Hub/2024 Report</i>	Private

145/24	Executive Director for Council Resources	Review of Facilities Management Caretaking within Musselburgh Town Hall	Private
146/24	Executive Director for Council Resources	Service Review of Internal Audit	Private
147/24	Head of Finance	ELC Procurement Contracts Awarded Below Regulated Thresholds – Q2 Financial Year 2024/25	Public
148/24	Head of Infrastructure	The Brunton Hall RAAC Options Appraisal	Public
149/24	Executive Director for Council Resources	Creation of Kittiwake Warden – Dunbar	Public

25 November 2024